



The Tabloid

Kathy Lette:
How they lie
about childbirth



The Tabloid

Fashion:
prepare to take
the plunge

News

**Girl boxers leave
doctors dazed** page 3

Blair vows to ban all handguns

John Rentoul
Political Correspondent

Tony Blair promised yesterday that a Labour government would legislate for a total ban on handguns marking the end of the political truce on the issue after the Dunblane tragedy eight months ago.

The Commons voted late last night on the Government's proposals for a partial ban, with the Tories benches heavily whipped as Ministers fought to minimise damage by its anti-guns MPs.

The Labour leader told *The Independent*: "If elected, we shall in the next parliament bring forward proposals in government time to amend this Bill to provide for a complete ban on handguns for general civilian use."

Yesterday afternoon, Labour and Liberal Democrat leaders united with Dunblane families to make an emotional last-minute appeal to MPs to ban all handguns.

George Robertson, Labour's Scottish affairs spokesman, described the vote, on a rebel Conservative amendment for a complete ban, as a "moment of critical decision, a moment when parliament would be on trial".

As Dunblane campaigners prepared to spend the afternoon lobbying any wavering MPs, Anne Pearson, a leading organiser of the Snowdrop petition, said: "If the decision goes the wrong way, there will be more deaths, more victims and more people whose lives are ruined."

And Robert Hughes, Tory MP for Harrow West, who tabled the rebel amendment for a total ban, also promised the fight would go on: "Even if we lose the vote, we won't give up. It's an issue that can be re-

turned to in Parliament." With public opinion overwhelmingly on Labour's side, the opposition's argument was strengthened yesterday by news of the fatal shooting of four children in the United States. The children had been shot in the head with a .22-calibre gun. Their bodies were discovered in South Carolina on Sunday night.

The pro-gun lobby - brandishing placards outside parliament declaring "57,000 shooters are being punished for one man's action" - sought to counter Labour's highly charged arguments.

Graham Downing, a council member of the British Shooting Sports Council, said: "There are far more guns in illegal circulation than in legitimate hands. This Bill is going to do nothing to take out the hundreds of thousands of guns in illegal circulation held by armed criminals."

With parents of those murdered both at Dunblane and at Hungerford watching from the Commons gallery, the Home Secretary, Michael Howard, told MPs the Government's Bill would give Britain some of the toughest gun laws in the world, as a response to the Dunblane tragedy, in which Thomas Hamilton killed 16 schoolchildren and their teacher in March. Under the Bill, which went further than the recommendations of Lord Cullen's inquiry, all guns above .22 calibre will be banned, and smaller-calibre weapons will be available for use only at gun clubs under strict conditions.

Earlier, on BBC radio, he said a total ban might "drive some legitimate activities underground and diminish the protection which the public get". He said the protection

of the public was the aim of the Bill, while preserving a sport which had been "part of the Olympic Games since 1896".

And he defended the Government's decision to impose a three-line whip on Tory MPs: "You have to make a considered judgement and weigh up all those factors. That is what the Government has done and it expects its supporters in the House of Commons to support that judgement in the usual way."

Mr Blair told *The Independent* that he would allow a free vote on the issue if he became Prime Minister, but added: "Our commitment to such a total ban is very clear. This is an issue that lies at the heart of public concern and it is right that we give this commitment today."

The Government faced a rebellion on both sides of the argument, with pro-shooting MPs led by Sir Jerry Wiggin arguing that the Bill went too far. Meanwhile, four Tories publicly backed the opposition parties' demand for a total ban. They included the former Cabinet minister David Mellor, who said he would vote against a government three-line whip for the first time in 17 years.

There was no doubt which side had the more effective hold on emotions.

Eileen Harrild, a teacher who was shot and wounded in Dunblane, told a Westminster news conference: "I am down here to try to shame people into doing what I consider to be the right thing."

She added: "It does seem ludicrous to me that [the Government] are thinking of retaining .22 calibre handguns in the name of sport. This is just not an argument."



Tutsis armed by South Africa

Exclusive

Michael Ashworth
Johannesburg

The war in central Africa has been fuelled by arms traders - who have links to South African military intelligence - selling weapons to the Zairean rebels.

After revelations that a firm based in Britain had supplied the Rwandan Hutus with weapons, *The Independent* has learnt that the opposing side - the Zairean rebels who are mainly Tutsi - are getting their weapons via both former and serving members of the South African services.

According to sources in the South African intelligence services, Tors Ehlers, a former personal assistant to the former S African state president PW Botha, is co-ordinating one of the operations, using his con-

tacts in South African industry and the armed forces. The United Nations has launched an investigation into his activities.

Mr Ehlers and his associates, who include a former colonel in military intelligence and a retired general from the South African National Defence Force, are using their considerable contacts in the shadowy world of the South African intelligence and arms community to orchestrate an illegal operation that is destabilising Africa.

Sources in the police and national intelligence service say that arms and ammunition are flown by C-130 transport aircraft from Lanseria airport near Johannesburg to the capital of Zaire, Kinshasa. From there the aircraft flies to destinations in the south-east of Zaire, Rwanda and Angola. The lack of any adequate air traffic control and

Inside

Which country is now No 2 in the world for arms sales? Answer, page 12
The shopping list you need to start a small war, page 13
Leading article, page 19

Zairean Tutsi groups. The arms are shipped as mining equipment by a company known as CMC, an Angolan-based company which is also registered in Zaire, according to the sources.

This allows the arms traders to fly the aircraft on a legitimate flight plan to Kinshasa on the pretext of supplying mining equipment. Once in Kinshasa it refuels and flies to airfields in the south-east of Zaire, Rwanda and Angola. The lack of any adequate air traffic control and

investigation is called Omega Support Ltd and is run by Johan Smith, South Africa's former military attaché in Angola.

Mr Smith also works for a company called Strategic Concepts which is also being investigated by the police. It is run by a former apartheid-era diplomat, Sean Cleary. As well as being an advisor to Jonas Savimbi, the Angolan rebel leader, Mr Cleary has also worked for the South African foreign affairs department and military intelligence.

It has been believed for some time that elements within the South African officialdom were pursuing an agenda outside governmental control. This is a theme that characterised the apartheid years but the aim is now different.

During apartheid, such activities were done primarily to destabilise South Africa's re-

gional neighbours to undermine opposition to the apartheid regime. Now the same policy continues but the rewards are financial rather than political.

Out of the myriad security organisations that evolved during apartheid and which, with minor transformations continue to this day, military intelligence is the "dark horse". It has been the least affected by the change of government and retains individuals in it that were very active in covert operations during apartheid.

According to Stephen Ellis of the African Studies Centre in the Netherlands: "The South African Defence Force and its intelligence organisations virtually escaped scrutiny into their role in covert operations whereas the police operations have been largely exposed and have crumbled."

QUICKLY

Palace departure

The Queen's press secretary, Charles Anson, is leaving after six years to join the food and drinks giant Grand Metropolitan. His new salary is reported to be £200,000. Page 22

CIA 'traitor'

A CIA employee was accused of selling secrets to Moscow for \$100,000. He was arrested as he was about to board a flight out of Washington. It is the second such spying scandal in less than three years. Page 14



Openmouthed over gargoyle ruling

Ian Burrell

An ecclesiastical court has allowed two living clergymen the dubious distinction of being depicted as limestone gargoyles in a parish church.

Plans for the gargoyles had divided the congregation of the 13th century St Peter's in Oundle, Northamptonshire. Four parishioners were boycotting services, claiming that gargoyles should only be made of the dead.

Yesterday, in an 87-page judgement, Judge Thomas Coningsby, Chancellor of Peterborough diocese, said there was no aesthetic or legal reason why the two churchmen should not be made into gargoyles. The former Bishop of Peter-



borough, the Right Rev Bill Westwood, and the church's former vicar, Canon Lloyd Caddick, will now be recreated as

6in-high limestone carvings.

The news will not be well-received by David Ritchie and his wife Margaret and Graham Gent and his wife Sandra, who turned up at a special hearing of the ecclesiastical court in the church last month to object to the gargoyle proposals.

They have not attended the church since the gargoyle affair first reared its head last year.

In his judgment, Judge Coningsby expressed regret that the dispute had turned ugly. "There was fault on both sides in the way in which the dispute over the carved heads was conducted," he said. "Unfortunately it is possible for the most sincere people to be wrong about certain matters, and that is what has occurred here."

The legal costs are to be divided between both sides.

Canon Caddick, the church's former vicar who still lives in Oundle, said: "Now it is over we can heal the wounds that have been caused by both sides. It will take time and sensitivity from everyone who is involved."

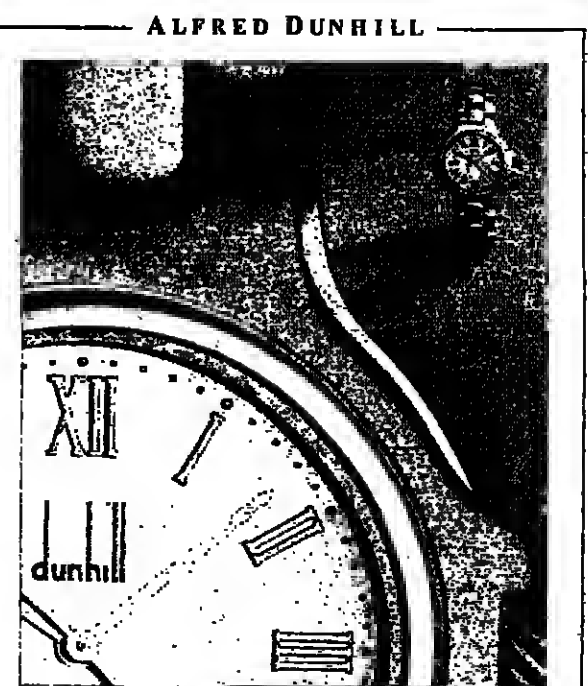
But he declined to face up to the judge's criticisms of the dispute. He said: "I haven't had time to read it. I can't comment on that."

He hoped, however, that the four objecting parishioners had not been scared off from the church and that they would return for services in the near future.

The two stone carvings will cost around £500, which will be met by private donations.

CONTENTS

The Broadsheet	
Business & City	22-25
Comment	19-21
Foreign News	12-17
Gazette	18
Home News	2-10
Law Report	18
Leading Articles	19
Letters	19
Obituaries	18
Shares	24
Sport	27-30
Unit Trusts	26
The Tabloid	
Art Reviews	19
Arts	6,7
Crossword	22
Fashion	12,13
Features	8,9
Health	10,11
Listings	20,21
Media	14,15
Radio and TV	23,24
Weather	22



ALFRED DUNHILL

THE LONDINIUM.
Stainless steel and precious yellow metal.
International guarantee. Sapphire glass.
Swiss made with quartz movement.

Available at selected branches of
GOLD-SMITHS & WALKER & HALL

ALTRINCHAM: Walker & Hall,
FARNHAM: Biggs, LEICESTER: Goldsmiths,
LONDON: Geo. Assenboroughs (Fleet St), Goldsmiths
(Bishopsgate), METRO CENTRE: Northern Goldsmiths,
NEWCASTLE UPON TYNE: Reid & Sons,
NOTTINGHAM: Goldsmiths, READING: Bracher & Sydenham,
SHEFFIELD: Walker & Hall, THURROCK: Walker & Hall,
TUNBRIDGE WELLS: Geo. Farret,
For a brochure call FREE on 0800 220733.

(Illustrated: Londinium Watch RRP £125 (inc VAT))



Swiss made since 1892

news

Virginia invents a new parlour game

Yesterday, numbers 19 and 20 on a London evening newspaper's list of "who to be seen with" at a dinner party were, respectively, Shadow Chancellor Gordon Brown and Shadow Dark Force, Peter Mandelson. They were in odd company: others in the frame included luminaries such as Nastasha Drum (sic), "tall, dark door girl at the Atlantic Bar" and Tamara Yeardey, an "ex-Vogue" model. Ownership of a silly name seems to be one of the main qualifications.

But I couldn't help wondering, as Heritage questions unfolded beneath me, whether there weren't other MPs - just as deserving - who ought to be considered for inclusion. So, as



DAVID AARONOVITCH

they spoke, I imagined myself seated next to them for a long evening. Would one have fun?

First up to be judged on his partyability was one of Labour's residual socialists, the earnest bearded member for Islington North, Jeremy Corbyn. Mr Corbyn has four appearances: wild-haired in windcheater, neat in

hurgundy jacket and neat in windcheater. He was cross with the idea of a millennium Ferris wheel on London's South Bank, when thousands are still homeless. They, he said, would not get "excited about Ferris wheels". So he failed the test. You could envisage a couple of guilt-ridden hours listening to Jeremy complaining about the food and drink being consumed while millions starved - your glass undrained, your fork permanently poised above the foie gras.

Up bounced the ruddy, enthusiastic, bespectacled Labour member for Greenwich, Nick Raynsford. Where Corbyn was sour, Nick was sweet. The Millennium Exhibition (to be hosted

in his constituency) would represent "all that's best in Britain today, and be a worthy successor to the Great Exhibition of 1851". It will also, presumably, be somewhere for the homeless to go during the day. This English Tourist Office guff would be all right for the first five minutes, while Raynsford waxed lyrical about the area he lived in, the frequency of refuse collection and the shops in his local High Street. But after ten, you'd want to kill him.

What about Dennis Skinner, much loved by right-wing journalists, who long for the days of lost Labour certainties? Dennis had worked out that loads more lottery money had gone to the Tory hits of Der-

byshire than to Labour blits. So would he spend the whole of a dinner party eyeing the food suspiciously, muttering under his breath that the scallops over-er quite seemed to make it up to his end of the table?

Theo there was the licensed rude guest, Tony Banks: the one who is always determined to be a naughty boy at the age of fifty, cracking risqué jokes and threatening to take his trousers off.

He followed a sanctimonious question from Sir Michael Allison about the "Millennium Christian Village" (Probably to be built in Sir Cliff Richard's garden), with a reminder that the year 2000 would be 5757 for Jews, 1417 for Muslims, 2054 for

Hindus and 1403 for someone else (Zoroastrians, I think) and that he couldn't hear the thought that - with so many millennia to be celebrated - Ginny Bottomley would be in charge of all of them.

She, of course, would be the hostess of the party. "I happen to be a Conservative", she reproved Mr Banks, "and this is a Christian country... and this is a Christian millennium". With one answer Virginia had invented a new parlour game: Quasi Sequitur.

You start off by saying "I am (something)", and everyone else has to guess what the second part is. How about: I am a tall man and this is short sketch?

significant shorts

Awards for 'Independent' journalists

Two journalists at The Independent on Sunday have won awards for their reporting on social services.

Roger Dobson was named Journalist of the Year in the 1996 British Social Services Media Awards for his series of articles on child abuse scandals in North Wales. The judges praised Dobson's "classic investigative reporting, excellent content, the digging-out mastery and presentation of a large volume of fact... A journalist who refused to give up".

The judges also highly commended Glenda Cooper for her coverage of care in the community describing it as an "insightful and graphic account of the issues of the mentally ill in the community. It is hard not to be affected by her journalistic skills".

The awards, co-ordinated by the social services organisation Jewish Care, were presented yesterday by Chris Smith, shadow health secretary.

Rabies all-clear for British bats

Britain's bats have been given the all-clear for rabies. Tests on nearly 2,000 sick bats of 23 different species carried out over the past 10 years have failed to find the lethal disease in a single one. Three scientists from the Government's Central Veterinary Laboratory report in the latest issue of the *Veterinary Record*.

Meanwhile, a coroner's court in Hørnsea, north London, concluded yesterday that Olawale Shuti, 19, a British subject of Nigerian descent, died in Britain last month of the disease after being bitten by a rabid dog in Africa. *Nicholas Schoon*

Crime squad conviction overturned

A man awarded £50,000 after the West Midlands Serious Crime Squad handcuffed him and put a plastic bag over his head during interviews had his convictions quashed by the Court of Appeal yesterday. Derek Treadaway, 51, had served nine and a half years of a 15-year sentence given in 1983 for two counts of robbery and two of conspiracy to rob.

Mr Treadaway became the 28th person imprisoned after investigations by the Squad to have his conviction overturned.

Call for ban on mix-sex wards

Mixed-sex hospital wards humiliate and degrade patients and should be banned from the NHS within two years, the Patients' Association said yesterday. The use of mixed-sex wards has grown dramatically over the past 10 years as part of the impetus to improve efficiency, and has led to hundreds of complaints of embarrassment, fear, assault and rape every year, it added. Patients can choose whether they go into mixed wards but But Dr John Spiers, chairman of the association, this usually meant they had to wait even longer for a bed. *Glenda Cooper*

Life sentence for killer of stable girl

A farmworker who bludgeoned a stable girl to death with an iron hook, last night began a life sentence for what the case judge called "a terrible act of revenge".

Stephen Webber murdered 27-year-old Jessie Hurlstone as she lay in bed in her caravan at racing stables in Buckfastleigh, south Devon, last October, three weeks after she began going out with a local man.

Webber, 39, who was said to have followed Jessie round like puppy, was convicted at Exeter Crown Court Mr Justice Rothery told Webber, of Buckfastleigh: "However that girl treated you, it was no excuse or mitigation for battering the life out of her in this terrible act of revenge," he said.

HIV infection 'on the rise'

Rates of HIV infection appear to be rising sharply in the inner cities, contrary to the accepted view that the epidemic is in decline.

Research by doctors at St Mary's Hospital, west London, found infection rates had increased by about a third in two years.

The findings published in the *Journal of Accident and Emergency Medicine* were based on anonymous tests of patients attending the hospital's accident and emergency department.

In 1992-93, one in 77 people attending the accident and emergency unit was found to be infected. Two years later the rate had risen to one in 30.

The patients involved were aged 16 to 45. Foreign nationals accounted for three in four in 1992-93, but only one in five in 1994-95. *Glenda Cooper*

Late arrivals blight holidays

Only about half of holiday flights are leaving or arriving on time, latest figures show. At Gatwick - the UK's busiest holiday airport, only 46 per cent of charter flights were on time (within 15 minutes) in the period April to June 1996. The best performer was Birmingham where 65 per cent were punctual.

Campuses hit by pay strike

Universities and higher education colleges will be picketed by staff of all shades today when academic and manual workers join forces to strike over pay.

Eight unions representing over 100,000 employees are staging a 24-hour walkout, which will close many campuses, in protest at a 1.5 per cent offer for academics and 2.5 per cent for manual workers.

Police release back files

An investigation was launched last night after files on police inquiries, crime suspects and witnesses were found dumped in a back lane near Newcastle upon Tyne. The finder even came across his own juvenile crime record among the papers, which related to crimes committed in the city in the 1980s.



Bowled over: Imran Khan, the cricketer, leaving the Portland hospital, London, yesterday after the birth of a son to his wife Jemima

Photograph: PA

Discovery of bomb ruins ceasefire hope

David McKittrick
Ireland correspondent

Recent police warnings that more IRA attacks are in the pipeline were appeared justified yesterday when the RUC announced it had discovered a planned bomb attack in Londonderry.

The RUC said a search of the Springtown Road area of the city had uncovered equipment generally used in landmine attacks

on police and Army patrols. A hole had been dug at the roadside, while insulating tape, pliers and a command wire which had been painted green were found.

The operation began around 7am on Saturday after people were seen acting suspiciously in the vicinity. Two people are being questioned by detectives.

RUC Inspector Norman Hamill said: "It does have all the hallmarks of a landmine attack.

The most likely target would have been a police or Army patrol - that would be the usual pattern for this type of attack in the past."

The incident has cast further doubt on a weekend newspaper report that the IRA had told the British and Irish governments that an unofficial ceasefire was in place to facilitate private contacts between republicans and Dublin.

Before yesterday's announcement SDLP leader John Hume, who has been involved in the channel of communications between the two sides, said he hoped to see another IRA ceasefire but added: "I cannot place it on a higher plane than hope at the present time."

Although Mr Hume, Sinn Féin and the Government had all denied knowledge of an unofficial ceasefire, the fact that the IRA had carried out no major acts of violence for more than a month had led to speculation that a serious negotiation was underway.

Ulster Unionist MP and security spokesman Ken Maginnis said yesterday that the fact that the bomb attack was planned in Mr Hume's Foyle constituency was "a deliberate poke in the eye for him and for what he says he is trying to achieve."

Mr Maginnis added: "I tend, after 25, 26 years of terrorism, to be dismissive of those who are so naive as to believe that the IRA has not got a strategy of violence designed to take them into the next millennium."

"I do not believe that they have the slightest intention of altering that strategy short of total capitulation to them, which is not going to happen. Until in fact we convince ourselves that this is the case, we will not be able to deal effectively with those who would bring death and destruction to Northern Ireland."

The Northern Ireland Secretary, Sir Patrick Mayhew, and the Irish Foreign Minister Dick Spring are to meet in Belfast tomorrow to review the political and security situation.

Major tries to mend bridges with Unionists

Cofin Brown
Chief Political Correspondent

Loyalist leaders will meet the Prime Minister, John Major tomorrow at Downing Street at the same time as ministers seek to restore relations with the Ulster Unionists following the last week's vote against the Government in the Commons over the ban on beef exports.

The Loyalist leaders, David Ervine of the Progressive Unionist Party, and Gary McMichael, of the Ulster Democratic Party, will underline their concern about the ceasefire holding on the Loyalist side in spite of the renewed violence by the IRA in London and Ulster.

Ulster Unionist leaders, who last week registered their anger at the Government over the beef crisis, appeared to be hardening their position against accepting Sinn Féin at the round-

table talks until the IRA began handing over arms.

The Loyalists have been more forthright than the Unionists in seeking inclusive all-party talks, including Sinn Féin.

Ministers are believed to be working on plans to allow a partial lifting of the export ban for Northern Ireland to put to the European agriculture commissioner, Franz Fischler.

It was the absence of a deal to lift the ban on exports of beef from Ulster herds that led to Unionist MPs voting against the Government, which survived by only one vote.

The pressure on the Government to reach a deal with the Unionists has heightened speculation about the stalled peace talks in Northern Ireland. The Ulster Unionists appeared in policy papers submitted in the last few days to be hardening

their stance to insist on the IRA handing over weapons before Sinn Féin could be admitted after a ceasefire.

The Prime Minister is expected to reassure the Loyalist leaders at the meeting tomorrow, which was agreed at their request, that there will be no change in the Government's policy on admitting Sinn Féin to all-party talks. Government sources said last night that Sinn Féin would be admitted after it was made clear the ceasefire was permanent.

The Government is still sceptical about a lasting ceasefire - in spite of rumours about a Christmas peace - but was encouraged by the remarks last week by Sinn Féin's Martin McGuinness suggesting that there should be an "indicative" rather than "rigid" timetable for progress towards a peaceful settlement.

Venables says he is vindicated over evidence

Ian Burrell

Terry Venables, the former England football coach, said last night he felt completely vindicated by a court ruling yesterday that set aside a previous judgment in which his evidence was castigated by a judge.

Venables's credibility suffered a damaging blow when in a court hearing last December his evidence was described as "rather wanton" and not "entirely reliable to put it at its most charitable".

The comments were made by Mr Recorder Donald Williams as he found against Venables in a case brought by Jeffrey Fugler, a businessman, who was suing Scribes West, Venables's London club, for an unpaid £20,000 bill. Although the sum was reduced to £14,000, and Fugler ordered to pay half of his own costs, Scribes West was faced with a bill for more than £100,000 to cover its own legal costs.

Yesterday, Venables's legal team applied for the case to be retried after obtaining further evidence which related to the original Fugler invoice.

Lawyers representing Fugler at the hearing at Central London County Court, quickly consented to the judgment being set aside and agreed to pay back the £14,000 plus costs.

Venables, who is expected to be announced as the new Australian team coach at a press conference in London today, said the comments had remained at the back of his mind for the past 11 months.

The original judgment and the accompanying comments had been particularly damaging to Venables as he prepared the England team for last summer's Euro 96 tournament.

The judge said some of Venables's evidence "contradicted" both his own version of events in his recently published autobiography and evidence Venables had previously given in connection with the liquidation proceedings involving Scribes West. He also appeared unimpressed with Venables's assertion, made in court, that he

had not been able to find an invoice from Fugler.

Venables said last night he had been shocked by the judge's attack at the earlier hearing. He said: "It was the most damaging thing, when a judge goes out of his way to say something like that." He said he still felt he had been the victim of a conspiracy.

"What happened to me was... disgraceful. I have been talking about conspiracy and everyone said I was paranoid but this proves there was reason to it and that's only the beginning."

If you'd like to understand what's happening on Sci-Fi TV, Radio Times Sci-Fi page will tell you everything you need to know, and it's not in Klingon!

RadioTimes

IT'S NOT WHAT YOU EXPECT.



Terry Venables: New ruling

سنة من الأصل

صلى الله عليه وسلم

Decision to recognise boxing for girls leaves doctors dazed

Mixed reaction to triumph for equality as Italian becomes sport's latest victim, writes Louise Jury

It was a triumph for equality that sparked widespread alarm. Women boxers yesterday cheered the decision to permit members of the female sex as young as 10 to compete in amateur boxing contests.

But it left opponents, led by the medical establishment, shaking their heads in disbelief at the extension of a sport they view as barbaric just as another fighter, Italian Fabrizio De Chiara, was pronounced dead.

Women's boxing is not new. But for years the only place women could box competitively was in back-street pubs, sometimes topless, in unregulated fights that could degenerate into nasty scraps.

The Women's International Boxing Federation (WIBF) was set up in 1993 to introduce some control and structure.

But the 10-four vote by the Amateur Boxing Association (ABA) will end 116 years of tradition by allowing women and girls to fight in the same way as the boys for the first time in ABA-approved bouts.

Jane Couch, 28, a professional fighter and the WIBF welterweight champion, said she was delighted.

"I'm pleased for girls who are going to take up the sport. It would have been a lot easier for me if I could have started with amateur fights."

And Pauline Dickson, 31, a founder of the WIBF and its English offshoot, the Association of Women Boxers, said: "I think it's great news."

"There are lots and lots of women who want to do it. But before, if there was a young girl who came along to our gym, we could train her but she couldn't compete. It was very difficult to keep the motivation going."

Their joy was not universal. Doctors who believe the sport should be banned despaired.

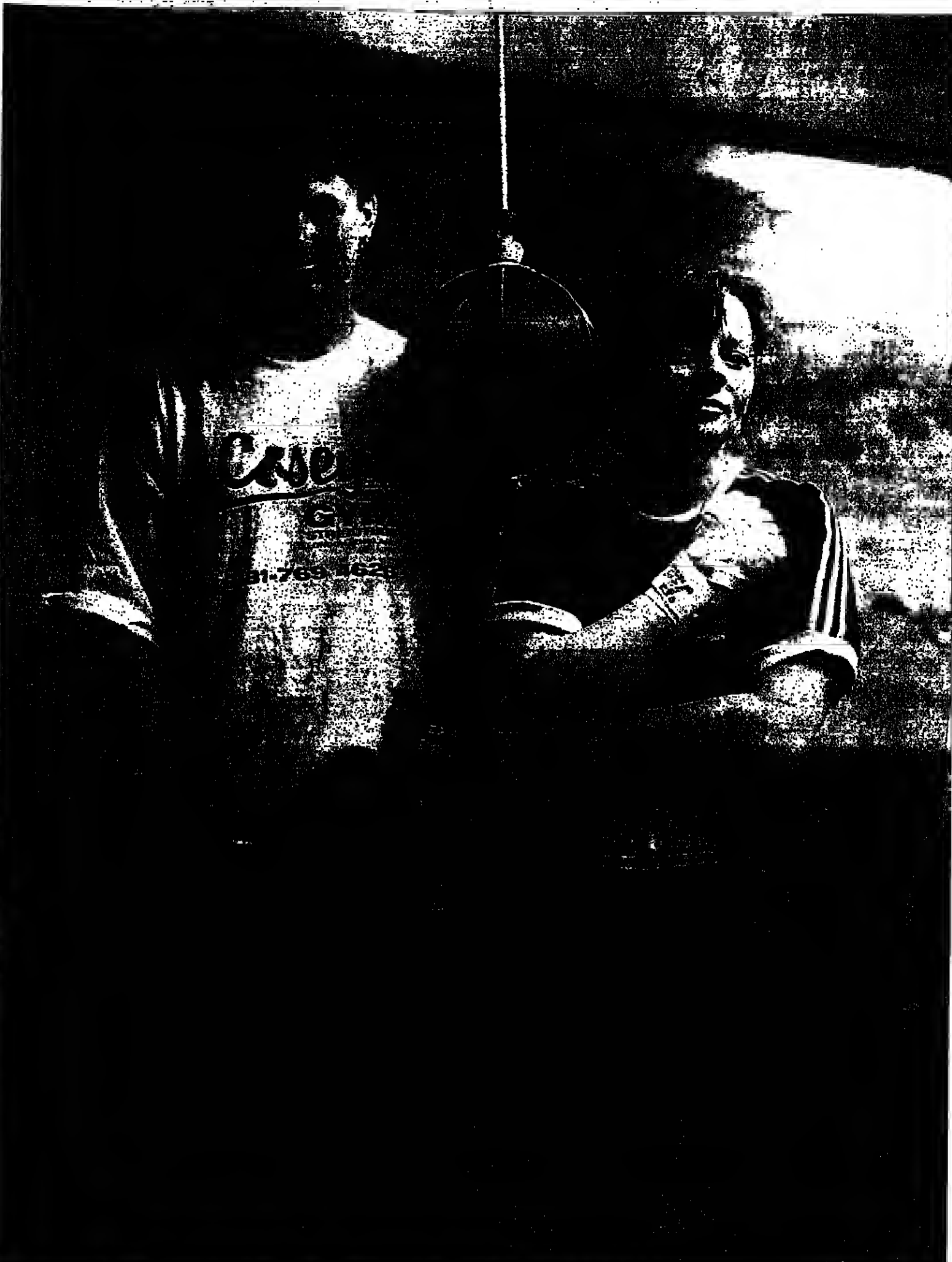
The British Medical Association called the decision a "retrograde step".

Dr Bill O'Neill, its science and research adviser, said boxing was as dangerous for women as for men and possibly more so. "The essential argument against boxing is the risk of brain damage, which is cumulative, and the risk to the eye, threatening sight."

Dr Adrian Whiteson, chief medical adviser to the British Boxing Board of Control, which governs professional boxing, said that he was "terribly concerned".

"I don't think enough is known about the potential risks to women for such a decision to be made. Blows around the breast or chest can induce bruising and the nodule which is created is difficult to distinguish from cancer. No one is saying it increases the chances of cancer - but no surgeon is going to say, 'carry on', he's going to remove the lump."

Sam Galbraith, consultant neurosurgeon and Labour MP, said: "It's a shame that rather



In the ring: Women boxers will be able to fight in competitive bouts after yesterday's decision by the ABA

Photograph: David Rose

than trying to curtail boxing they're extending it. Women are in the advantageous position not boxing."

Commander Rod Robertson, chairman of the Amateur Boxing Association, said they were responding to a groundswell of pressure.

Women and girls wanted to take part and in the last two years, the sport's international

regulators, the International Amateur Boxing Association and the European Amateur Boxing Association, had given approval.

"In addition, the Sports Council requires us, as a national governing body, to make sure our sport is open to as many people as possible. I'm not saying necessarily that boxing should be encouraged for

women - that's the women's choice."

At his gym near Bristol, trainer Tex Woodward echoed the sentiment. "For a long time women have been looking for freedom of choice. At last they've got it."

He was equally delighted for young girls and had no fears about taking them on. "They're much more attentive and the

more attentive they are the more skills they learn."

Fellow coach Sandra Rouse, who had given up in exasperation at the ABA's position, was considering a return. "There was lots of enthusiasm from girls hot because they were not allowed to do this and that before they drifted off into other things."

Yet while the English women

cheered, the mood in Italy yesterday was very different. Vincenzo Imperato, the boxer in the ring with 25-year-old De Chiara when he collapsed on Saturday, said he would rather have lost the fight than live through the agonies of losing his friend.

"I could not sleep last night," he said. "I just kept thinking about De Chiara. I didn't want to win the title like this."

Whitbread puts foodie novel back on the gravy train

If food really is the new rock-and-roll, then a stylish and erudite novel featuring a gourmet psychopath might be expected to shoot to the top of the charts and stay there. Or so the publisher Picador must have thought when it blew a fat slice of its annual budget on John Lanchester's *The Debt to Pleasure*, which today appears on the shortlist for the Whitbread First Novel Award.

Lanchester - a restaurant critic and editor at the *London Review of Books* - found that his fictional debut became the focus of one of the most intensive hector-and-minds campaigns ever mounted on behalf of a literary novel in Britain.

Picador bought on the front cover of the biannual bumper issue of *The Bookmaker* magazine - early warning of a blockbuster to the people who will have to sell it in the bookshops. Posters of the jacket illustration - a delicious lemon from a Spanish still-life painting - were scattered all over literary Britain.

Translation deals were done

Boyd Tonkin, *The Independent's* new literary editor, offers a cautionary tale on the perils of hype in the publishing world

for a dozen European languages at a very early stage.

Picador held a party for Lanchester at the 1995 Frankfurt Book Fair, five months prior to British publication.

But even in an age of hype, publishers cannot buy acclaim. For a demanding debut novel in hardback, *The Debt to Pleasure* did reasonably well, with British sales that will have edged towards 10,000 by now. But after all the pre-publication fanfare it sank like a mistimed soufflé in this country.

Many critics turned up their noses at its dislikeable narrator, Tarquin Winot, and his foodie flourishes, although John Walsh in *The Independent* praised "a supreme literary construct that's also deliciously entertaining".

The Whitbread shortlist represents Lanchester's second se-

rious sniff at a major prize. His book surfaced on the unofficial long list for this year's Booker Prize, and it bizarrely won a Betty Trask Award - a prize originally designed to recognise romantic fiction.

Lanchester's publishers will not mind too much about tepid British reactions, however. With the story's setting in French Provence and its multi-lingual kitchen chatter, his book embodies fiction for the single European Union market - the Eurostar novel, you might call it.

By the time that the book appeared in March, 12 translations were under way, including Catalan, Turkish and Danish versions. Now, the list of 20 translations includes Korean, Hebrew and Croatian. This international profile makes it a

perfect choice for Picador, part of the Macmillan group.

Until last year, Macmillan - the family firm of the former Tory premier, Harold - was as British as roast beef and malt whisky. Then, in a £200m buy-out, the company passed into the ownership of Holtzbrinck, a German media multinational whose interests range from *Scientific American* magazine to the New York publishers Farrar, Straus and Giroux.

Holtzbrinck takes a hands-off approach to its new British acquisition, but Picador's cosmopolitan murder yarn oozes has a publisher to match.

In today's book business, the grumbles of a few domestic reviewers are unlikely to stop other markets from making a meal of *The Debt to Pleasure*. Author, agents, translators and publishers will be well fed by the novel's global reach.

But some of Picador's other authors, who may find next year's advances cupboard looking extremely bare, will no doubt be left feeling pretty hungry.

No laughing matter: Bob's jokes are saved

Peter Victor

There was rejoicing yesterday, in some quarters anyway, at the news that comedian Bob Monkhouse's joke books, missing since July last year, had been recovered.

The books, containing the comedian's "life's work", were on their way back to him after his agent Peter Pritchard was handed the books yesterday by a man asking for "a five figure sum".

Mr Monkhouse, 68, presenter of the National Lottery Show, immediately offered a £10,000 reward for the return of the books when they disappeared from his briefcase whilst he was working at the BBC Television Centre in London almost 18 months ago.

The thickly-bound maroon books contained more than 25 years of the comedian's work including fully-scripted jokes and ideas for sketches and plays. News of the age of some of the jokes brought a wry smile to the faces of several of Mr

Monkhouse's colleagues at the time of the theft.

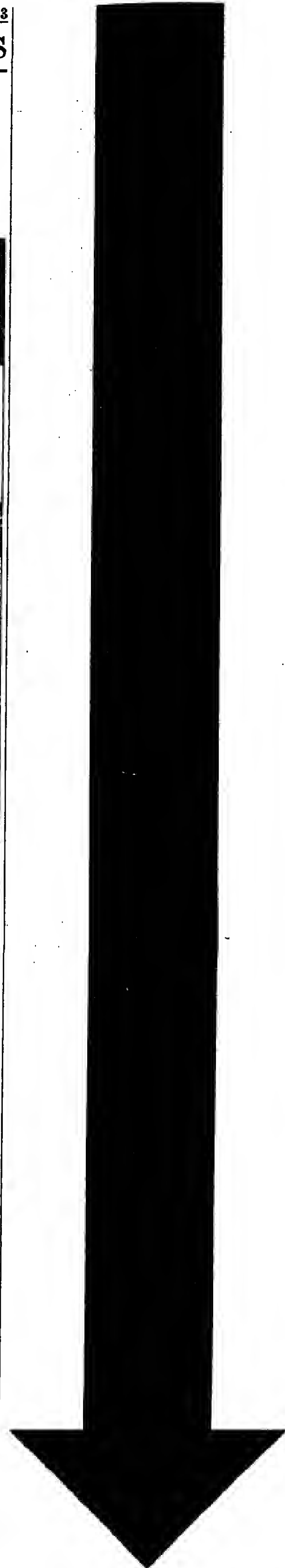
Stan Boardman quipped: "When they find it, how will they know it's a joke book?"

Mr Monkhouse was not amused: "Every idea I have had I write down in the books: dialogue, thoughts for plays, books and shows, all in loquacious, and I always kept them in my possession."

Last night a 47-year-old man was helping police with their inquiries after the A4 maroon folders were recovered and a £10,000 reward handed over.

Mr Monkhouse had started new joke books from scratch after the theft, but the two volumes amounted to his life's work. Mr Pritchard said, "It caused us a lot of problems," he sighed.

Bob Monkhouse said: "My agent told me 'your babies have returned home. That which you have inadvertently set free has come home'. To say I am overjoyed would be understating my state of mind. I am ecstatic."



Straight Up
£29.50

swatch

Fall/Winter collection 1996 - Signs theme
http://www.swatch.com - Swiss made

SWATCH THE CLUB • HOTLINE • 07703 646846

Official secrecy blamed for BSE crisis worsening

Stephen Goodwin
Heritage Correspondent

Censorship and the silencing of government scientists had contributed to the crisis over mad cow disease, public health experts claimed yesterday at a conference called to explore the lessons of the BSE affair for Britain's system of government. One notable absentee from the day-long debate was anyone from the Ministry of Agriculture. Douglas Hogg's Department had been invited by Charter 88, the conference organisers, to send a representative, but had declined.

Andrew Puddheath, director of Charter 88, campaigners for democratic reform, said the story of BSE was a story of ten years of secrecy, of policy torn between two imperatives: "the protection of the farming industry on the one hand and the avoidance of the use of taxpayers' money on the other."

But the most damning evidence came from medical and public health professionals attending the conference which was held in London.

Dr Helen Grant, a retired neuropathologist, said MAFF vets had refused to make use of

a live urine test devised to detect animals infected with Bovine Spongiform Encephalopathy and had "denigrated" the test whenever asked about it.

There is "officially" no live test, Dr Grant said, yet it had been used successfully on 14 out of 14 humans infected with the BSE-equivalent Creutzfeldt-Jakob disease.

In a paper circulated at the conference Dr Grant said a government virologist who, in 1990, offered a test to diagnose the disease in sub-clinically affected animals going through slaughter and into the food chain had been ordered to stop his research work and was eventually dismissed.

Dr Noel Olson, chairman of the UK Public Health Medicine Consultative Committee, said it was considered "exceptionally unlikely" that there would be a massive epidemic of the new variant CJD but it need never have happened at all if the "precautionary principle" had been the basis of government policy. Instead MAFF had acted in pursuit of profitability and an inappropriate political desire for deregulation.

Calls for an end to MAFF's

conflict of interest as the regulator of farmers and food manufacturers and their representative were led by Gerard Callaghan from Belfast whose brother Maurice died from CJD last November, aged 30, but there was also a warning against creating a food quango which was less accountable to Parliament and the public than a government department.

The only significant break from the consensus on MAFF secrecy came from Ian Gardiner, director of policy for the NFU, who said there was no shortage of information in the half-yearly reports though it might not be in a very useful form for the general public.

Mr Gardiner took particular exception to a suggestion by Mr Puddheath in an article in last Friday's *Independent* that people's lives were being put at risk as MAFF tried to protect one of the "most powerful lobby groups" — the farming industry.

"I find that an astonishing statement for anybody to make as farmers need to ensure that their products reach our plates with total safety," said Mr Gardiner.



The 'Absolutely Fabulous' star Joanna Lumley preparing for her role as official starter of the House of Lords versus House of Commons charity race yesterday. With her are competitors Lord Astor of Hever (left) and Graham Riddick MP. Photograph: Stefan Rousseau/PA

Minus, Brazil, 1996. A coffee plantation worker toils in 80 degree heat to earn 56p an hour. It's not enough but it's better than nothing. Nothing is what he earned last week when bad weather stopped the harvest. Nothing is what he will earn for the next eight months, when the season is over.

A family is paid a pittance for an 11 hour day.
A child of 6 is taken from school to work in the harvest season.
A man breaks a leg in transit to work, but gets no compensation.
This is one side of the coffee industry in Brazil today.
Underneath that heady aroma there's something that doesn't smell so good.

And it's not just coffee. There are heart-rending stories of exploitation behind produce like vegetables, fruit, nuts, flowers, even prawns.
The details vary from country to country, but the themes are consistent enough: low pay, unfair dismissal, tin-shack housing, child labour.
It makes you sad, it makes you angry, it makes you want to do something. Well you can.

Send the coupon now or call us on 0345 000 300

I want to know what action to take. Please send me the information pack.

Name _____ Address _____

Postcode _____

Send the coupon to: Christian Aid, Freepost MR8192, Manchester M1 9AZ
Registered Charity No 254030

Christian Aid
We believe in life before death

Why not a boycott?

A boycott isn't the answer because it can make things even worse for the growers and pickers by taking away the market. And in any case, you can't always tell by looking which products involve exploitation and which don't.

The answer is actually more inspiring: it's to encourage your supermarket to ensure fair pay and conditions for the producers of all the goods it sells.

Change the rules

Supermarkets have astonishing financial muscle. Some British chains have incomes bigger than the entire economies of Third World nations. When that kind of money talks, people listen.

Supermarkets are increasingly sensitive to social issues, and they care what their customers think. So let them know you want them to help change the rules of global trade.

The Supermarkets Third World Charter

The first step is to ask your local supermarket to embrace the Supermarkets Third World Charter, which aims for fair prices and conditions all the way along the production chain.

Send the coupon or call us at Christian Aid for an information pack that shows you the simple action you can take next time you shop.

"I wake up at five o'clock. We only stop for 15 minutes. There are no more breaks till the end of the day." The words are those of a coffee worker in Brazil. By making your supermarket listen to you, you're making them listen to her, and to millions of people like her throughout the Third World.

Demoralised lawyers want to leave CPS

Patricia Wynn Davies
Legal Affairs Editor

Crown Prosecution Service lawyers are "demoralised and demotivated" and hampered by bureaucracy from doing the front-line job of prosecuting criminals, according to a survey released yesterday.

More than half those replying to the MORI survey said that they would like to leave the CPS, which has had a troubled 10-year history since it replaced local prosecuting authorities.

Professor Bob Worcester, MORI's chairman, said the study had thrown up "the highest negative scores that we have ever measured in over 400 organisations", in terms of the CPS as a place to work, job satisfaction, the credibility of information from management and workload.

The research was commissioned by the First Division Association (FDA), the senior civil servants' union representing two-thirds of the service's lawyers, after the Attorney-General, Sir Nicholas Lyell, decided against meeting representatives to discuss their concerns.

Kevin Goodwin, the CPS convenor, said that at a time when an ever-increasing law-and-order programme was being added to the statute book, the CPS had had its budget cut and dozens of lawyer vacancies were not being filled. Staff were still committed to an independent prosecuting authority but were "degraded, demotivated, demeaned and demoralised," while they felt they were running the service more in the interests of the bureaucracy rather than in the interests of fighting crime.

More than two-thirds of the 786 members who returned their questionnaires said the CPS was below average or one of the worst places to work, and nine out of ten believed it had got worse since they joined. More than three-quarters believed that the recent team-working initiative - when experienced prosecuting lawyers were given management jobs but according to the FDA were not replaced - had resulted in a worse service to the

public, while 91 per cent felt that speaking up when they disagreed with management could damage their career prospects.

Barbara Mills QC, the Director of Public Prosecutions and the head of the service, said yesterday she did not accept the FDA survey as fully representative. She referred to the CPS's own survey of all staff, published last September, which she said was based on a 62 per cent return rate, while the FDA survey represented only 12 per cent of all staff. "Management have been aware for some time that there are some members of staff who are not satisfied with some aspects of their work... These issues will be properly addressed when drawing up our plans for the future, to which we hope FDA will contribute."

Yesterday's survey suggests deep-seated problems remain. Comments from respondents, who are paid around £20,000 to £40,000, include: "Lawyers spend their time filling in forms and dealing with queries from Area HQ on matters such as why a mileage claim is a day late."

No suspects crack in Labour wall of silence

John Rentoul
Political Correspondent

Day Four of the hunt for Cassandra, the anonymous Labour MP who predicted Tony Blair's early political demise, and still no suspect has cracked under the white lights in the whips' office.

But already threats of legal action from those on the suspects list are flying at Westminster. Brian Sedgemore, who was once Mr Blair's MP in Hackney, wrote to the Labour leader yesterday offering to sue "whomever of your aides is guilty" of mentioning his name to *The Independent* as the likely author of last Friday's *Tribune* article.

"For the record I am not Cassandra and did not write or have anything to do with writing the offending article. It lacked wit and style and its analysis was, in my view, wrong," he wrote, adding: "I look forward to seeing you as the Prime Minister for the next decade."

Cassandra predicted that Labour would win the election, but that by the end of next year a series of challenges would leave Mr Blair "isolated and weakened beyond recovery".

Tell-tale political clues in the article suggested a member of the party who has been an MP for some time. Michael Foot and Neil Kinnock are described as "obvious losers", while Cassandra observes of Mr Blair's leadership: "I have never known Labour MPs to be so bit-

terly and personally critical of their leader."

But the key political clue is Cassandra's prediction of an early "palace coup" against Mr Blair, led by Labour's own "men in grey suits", and his probable replacement by the leftish Robin Cook, the shadow Foreign Secretary who has "built the strongest parliamentary reputation since John Smith".

This is close to the known view of Ken Livingstone, who wrote an article last December speculating on what would happen if Mr Blair in government tried to dismantle the welfare state. "Although Labour rules do not allow a leadership challenge while the party is in government, I have no doubt that Blair would become the first Labour leader since Gaitskell to face a serious leadership challenge if he attacked the welfare state." (Cassandra also mentioned Harold Wilson's 1961 challenge against Gaitskell.)

Intensive stylistic analysis of the article, meanwhile, reveals a tendency to long but disciplined sentences, and an unusual use of the ablative absolute.

Another suspect who has denied authorship, John Garrett, the Tribune Group member who is retiring from his Norwich South seat at the next election, was sceptical about Mr Cook displacing Mr Blair after a Labour victory: "I doubt that."

An article Mr Garrett wrote in January 1994 started with a 48-word sentence, but lacked any more conclusive evidence.

Elderly missing out on 'top up' benefits

Colin Brown
Chief Political Correspondent

Nearly a million pensioners could be failing to claim their "top up" benefits, according to figures released yesterday.

The figures may also mark a 35 per cent increase in pensioners in the lowest income levels. The Government is unclear about the precise numbers who are entitled to benefits, which they are failing to claim, but its latest estimates suggest that the total number of pensioners failing to claim income support had risen from 710,000 to 955,000 by the end of 1994-95.

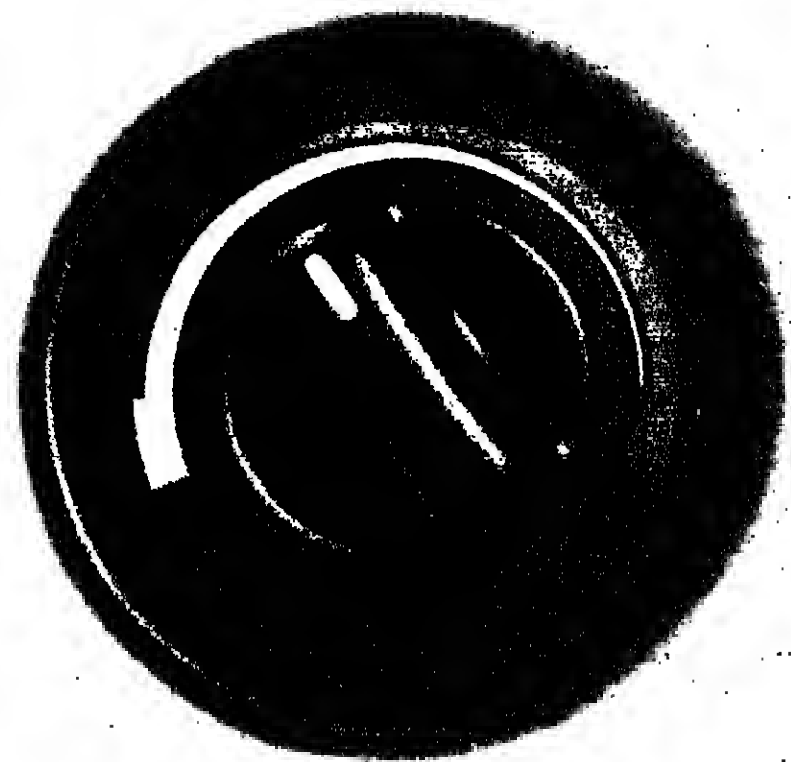
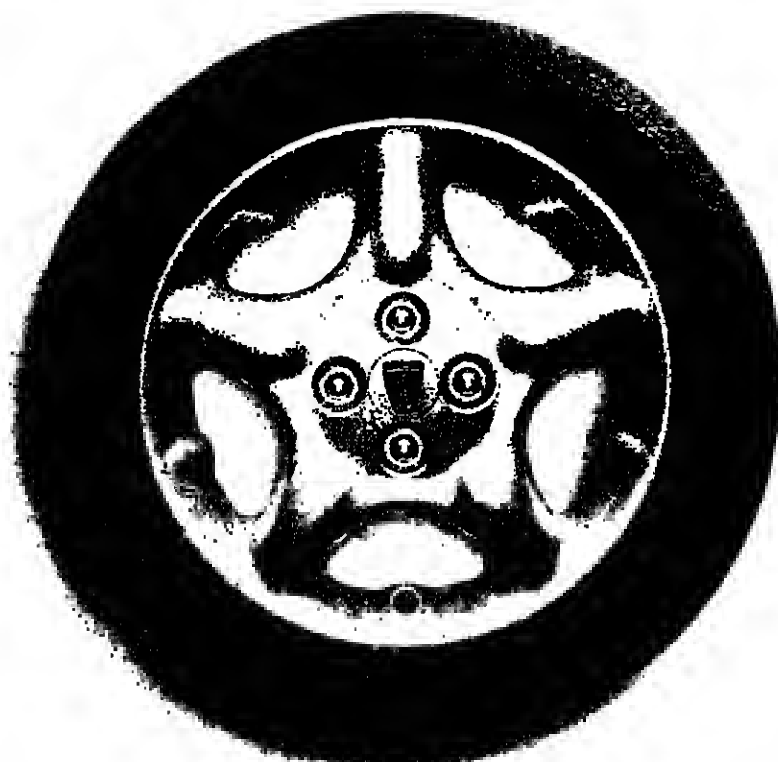
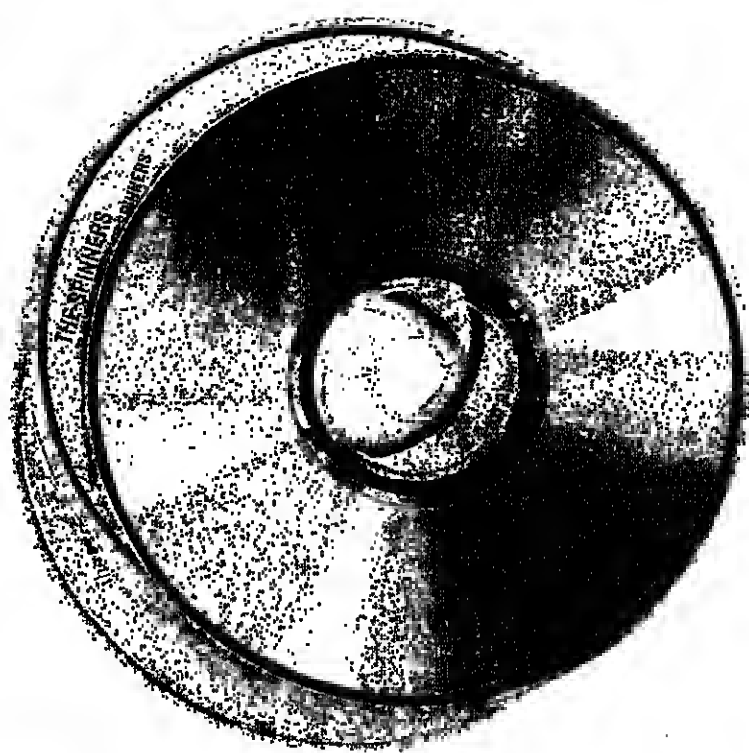
It reinforced a campaign by Labour to put pressure on the Government to take statutory action to make more elderly people aware of the benefits that are unclaimed.

Harriet Harman, the shadow social security secretary, said the figures showed that the more pensioners were living in poverty because they were failing to claim the benefits to which they were entitled.

She urged all pensioners to write to the Government in support of Labour amendments to the Social Security Fraud Bill before its second reading in the Commons next Monday. The Bill gives the authorities the power to cross-check computer records of social security claimants to curb fraud. But Ms Harman is seeking to use the new powers to identify pensioners who are not claiming benefits.

[illegible]

THREE CIRCULAR ARGUMENTS IN FAVOUR OF THE £14,445 ROVER 416i LUX.



FREE 6 DISC CD PLAYER. FREE ALLOY WHEELS WITH ABS. FREE AIR CONDITIONING.

The new 416i, a Rover saloon legendary for its long distance comfort, now comes with a six disc auto-change CD player (or, if you'd prefer it, up to three years of free servicing*), five-spoke alloy wheels, air conditioning and anti-lock brakes.

All for an on-the-road price of £14,445.

What more can we add? If you'd like to indulge in a test drive, contact your local Rover dealer, or call 0345 186 186.



RELAX.
IT'S A
ROVER.



MODEL SHOWN, ROVER 416i LUX £14,445 ON THE ROAD. INCLUDES DELIVERY TO DEALER, NUMBER PLATES AND 12 MONTHS ROAD FUND LICENCE. PRICES CORRECT AT TIME OF GOING TO PRESS. SUBJECT TO VEHICLE AVAILABILITY.
* SCHEDULED SERVICING OFFER FOR UP TO 3 YEARS OR 36,000 MILES, WHICHEVER COMES FIRST. ABS STANDARD ON ALL SALOON MODELS. 416i LUX OFFER AVAILABLE FOR VEHICLES PURCHASED AND REGISTERED BY 30.11.96.

صالح من الدحيل

Gates presses button in war of mini-computers

Steve Homer
Las Vegas
and Charles Arthur

Having won the war for control of the desktop computer, Bill Gates of Microsoft has set his sights on a new battlefield: the handheld computer.

Microsoft, the world's largest software company, chose the Comdex computer trade show in Las Vegas to launch its new Windows CE operating system - a cut-down version of Windows 95 designed to work with palm-sized computers.

The initiative was backed by seven big PC and electronics companies which launched their own hand-held computers, all designed to use Windows CE. Compaq, Hewlett-Packard, Casio Computer, Hitachi, NEC, LG Electronics and Philips all weighed in with their own products, due in shops by the end of the year.

Each has been designed to use Windows CE. Without it, none of the companies would have been likely to move into a market niche that has remained stubbornly small.

However, the move by Microsoft and its heavyweight allies had one notable absentee - Psion, the British company which has achieved huge international sales for its handheld Series 3 computers.

While there are some 150 million PCs in the world, there are fewer than five million handheld computers. Past efforts such as Apple's Newton and Fujitsu's Pocket have been market failures.

The Psion Series 3, launched in 1991, has sold more than a million around the world and stands out as a notable success. Yesterday, Psion launched a suite of Internet connection software for the Series 3. A spokesman for the company said: "We think that any inter-

US computer giant leads assault on the handheld market with new Windows software

est will benefit companies that are already players in the market - and we are major players."

But Psion's use of its own operating system, and the complexity of the software used to link it to desktop PCs, has held it back from widespread corporate use - which is always the biggest market for PCs. A Psion spokesman did not know whether Psion and Microsoft had discussed putting Windows CE on the Series 3.

Mr Gates is now taking Microsoft into the fight for this slowly emerging market. "The PC has been transformed from a productivity device into a communications device," he said at the launch on Sunday.

"These people [computer users] want to have a portable device."

Windows CE computers will have a keyboard, touch-sensitive screen and an infrared wireless communication system. The standard software will include cut down versions of Microsoft's major office products such as Word for word processing and the Excel spreadsheet, with a "Web browser" to allow users to connect up to the Internet while away from the office or home computer.

At the launch Microsoft also showed a street map application, which would pass enough information from the desktop PC to the handheld one's limited memory to allow it to retain details of one or two city centres.

The big selling point for the new machines is that they should work in concert. A Windows CE electronic diary on

your desktop PC could be taken on your handheld machine, but any changes you made while away from your desk would be updated to the desktop version by clicking on an icon on your return.

Though such facilities have been available using packages such as Lotus Notes on larger, corporate machines, they have not been shrunk to fit users of desktop and handheld machines before.

The question however remains the price of the Windows CE machines. In the US they will sell for around \$500-800. That will probably translate to £450 in the UK - which may put it beyond many people's reach compared to the Psion systems, which cost around £300.

Pedalling into the record books on a tricycle made for 24



Designer Philip Konolis steers his 24-seater tricycle through the London traffic on his way to the launch of the 1997 Guinness Book of Records which was held at London Zoo yesterday
Photograph: Michael Stephens/PA

OUR COMPUTER OFFER ENDS DECEMBER

31ST

DAILY POEM

The city being us

By Jon Silkin

And when she did not arrive, I went and bought
silken fleshy violets the city smudges with benzene,
dust, and a tang of peppery fish.
And as I bathe the unhurried form each night
her shade purples my hands. White; she mouths.

Beauty is magisterial: it will not
tell you what it will do, it does what
it will to you. She, over me, overplussing
my affection with an urban terror:
anger, violation and gentleness, more than I ever knew until now,
and I learn reciprocity. Whitey.

John Silkin was born in London in 1930 and worked as a labourer before becoming a magazine editor - he founded the poetry magazine *Stard* in 1950. Silkin's poems, of which there are six collections, are warped and veiled with his particular concerns: an indignant compassion for the suffering and exploited; the political and personal aspects of being Jewish; and recurrent imagery of flowers. Sinclair-Stevenson published *The Lens-Breakers* in 1992. This poem is uncollected.

A CABLE & WIRELESS COMPANY

BT TO INDIA:
£12.63

MERCURY TO INDIA:
£9.44
(SO TALK CAN BE CHEAP.)

A saving of £3.19 on a 10 minute call to India is certainly worth talking about. And the fact we're still 20% to 39% cheaper than BT on international calls, is a real conversation point.

For details FreeCall 0500 500 366.

Mercury SmartCall

You don't have to be a genius to see how much you'll save.

Price quoted to India from a 10 minute Mercury call. Prices and savings correct as at 8 October 1996, compared with BT. Your rate for international calls of 5 minutes or more, from 8am to 11pm, and any time at weekends. Savings available for a quarterly fee of £5.75 (inc. VAT). <http://www.mercury.co.uk>

Advertisement

Women's Health Tips

A new book which every woman should read. Contains the latest information on women's health. Written especially for women. It covers cervical and breast cancer, menstruation and the menopause, infertility, and contraception, sexuality and relationships, pregnancy and miscarriage, hysterectomy, osteoporosis, the importance of diet and exercise. Problems and questions are dealt with easily, case histories are used to explain specific health problems, and much more. Understand all your common health problems. The book has been endorsed by Marie Stopes International.

Get all the facts. Take advantage of this opportunity and send for your copy TODAY. To order your copy of *Women's Health* send your name, address and book title with cheque/postal order of £12.95 (inc. p&g) payable to STK Enterprise, Dept. IND1, 58 Catfield Crescent, Wolverhampton WV8 1XJ. If not satisfied return the book within three weeks for full refund. Allow 28 days for delivery.

WOPS

£1199
Plus VAT at 17.5%

£979
Plus VAT at 17.5%

£2399
Plus VAT at 17.5%

Armada 1120, Pentium® processor 100-MHz, 10.4" colour STN, Dual scan display 810-MB hard drive, 8-MB memory.

Compaq Deskpro 2000 S133 M1080, Intel Pentium® 133-MHz processor, 256 Kb Cache, 1-GB hard drive, 16-MB memory plus Compaq 140, 14" SVGA monitor.

ProSignia 500 5/150 Model 2100 132-MHz Pentium® processor 130-MHz 2.1-GB hard drive, 32-MB Error Checking and Correcting (ECC) memory, Integrated Ethernet Network Interface card, SmartStart Integration Tool, Compaq Insight Manager.



All Compaq business desktop PCs, notebooks and servers have huge price reductions of up to 32%. And until the end of December, there are special promotion prices on models of Pentium® and Pentium® Pro processor based Deskpro 2000 PCs, Armada notebooks and the ProSignia 500 server. All are designed with two goals in mind. Satisfying the needs of any growing business and reducing the long term cost of ownership. Our special promotion prices also apply to Compaq 140 and new 15" V50 monitors. To take advantage of the offer contact your reseller. Or for a copy of promotion details, call 0990 50 00 20 from 8.30am to 8pm (9am to 5pm at weekends).

Tel: 0990 50 00 20

COMPAQ COSTS YOU LESS THAN CHEAPER COMPUTERS

COMPAQ

Offer (low 31.2% off) valid while stocks last. Not all resellers participating. Check with your local reseller. Prices quoted are Compaq recommended prices and exclusive of VAT at 17.5%. Actual savings may vary. Photographs show 15" monitor and Armada 1120T with 10.4" TFT display; prices quoted refer to specification descriptions only. The Intel Inside logo and Pentium are registered trademarks of Intel Corporation.

150 من المجلد

World's oldest pyramids are discovered



David Keys
Archaeology Correspondent

Archaeologists have discovered the world's oldest pyramids – on the Atlantic coast of southern Brazil. Like the pyramids of Egypt and Mexico, the South American ones seem to have been built for religious purposes. Some contain hundreds of human burials, complete with spectacular grave goods – including stone plaques, shell breast plates and beautifully made stone birds, fish, whales and other animals.

But although the functions of the Brazilian and Egyptian pyramids were to some extent the same, there was certainly no contact between ancient Egypt and Brazil, and the concept of building pyramids was invented quite independently in both places.

Dating from 3000BC, the oldest of the Brazilian pyramids predate the earliest Egyptian example by several hundred years. The construction techniques were also markedly different,

each Egyptian pyramid being built in one operation, while the Brazilian ones were each built in several phases, possibly over many decades or even centuries. And, unlike the Egyptian stone pyramids, the Brazilian ones were built exclusively of sea shells.

That is why archaeologists in the past had never realised what they were. For years Brazilian prehistorians had thought that the sites were simply immense piles of domestic rubbish from settlements.

But research carried out over the past four years has revealed that the "piles of ancient rubbish" were in fact deliberately built square structures of roughly pyramidal design.

Initial research suggests that some of the structures were originally over 160ft high with bases covering up to 37 acres. And in terms of volume, they were much bigger than the earliest examples in Egypt, and almost as high.

The archaeologists estimate that originally there were



Upstaged: Pyramids at El Tajin Vera Cruz, Mexico, and Chephren, Egypt (top left) are predated by the Brazilian ones. Main photograph: ET Archive

around a thousand Brazilian pyramids – some apparently 5,000 years old, others less ancient – of which fewer than 10 per cent survive in various states of preservation.

Up to this century most had survived, but between the Twenties and the Sixties they were

used as a source of raw material for road construction. One of the largest surviving examples – near the town of Jaguaruna in the Brazilian state of Santa Catarina – still covers 25 acres and stands 100ft high – perhaps up to 65ft less than its original height.

Archaeological research is now even showing that some of the Brazilian pyramids – like their Mexican counterparts – had structures on top of them, although the Brazilian examples are up to 3,000 years older than the ones in Central America.

"Our new research shows that Brazil's prehistoric Indians 5,000 years ago were more sophisticated than we had thought and were capable of producing truly monumental structures," said Professor Edna Morley, the director of the Instituto do Patrimônio Histori-

co e Artístico Nacional (National Heritage Institute) in Santa Catarina where most of the Brazilian pyramids have been discovered.

"These massive structures will help revolutionise the way we think about ancient Indian cultures," she said.

Councils targeted over bad schools

Fran Abrams
Education Correspondent

Local education authorities will have to draw up action plans for improvement as they face a national inspection programme for the first time, it was announced last night. Giving details of fresh powers granted under the Government's new education bill, the Chief Inspector of Schools, Chris Woodhead, said teachers could not entirely be blamed for the failings of schools. Where they failed, they had often been let down by education authorities, he said.

He cited The Ridings School, Halifax, which was declared failing after staff demanded the removal of up to 60 disruptive pupils. Staff had complained of a lack of support, he said, and Calderdale local education authority was already scheduled for an inspection.

"Teachers in schools can make a difference, and it simply isn't possible to blame every problem on the Government, on parents or on the collapse of Western civilisation. But I do accept that teachers work within a context, and local authorities are very much part of that context. The finger of blame cannot and should not be pointed simply into the classroom."

Ofsted, the schools' inspection body, is to visit 12 authorities each year and report on their performance. Members of Her Majesty's Inspectorate of Schools, who work for Ofsted, will be accompanied by staff from the Audit Commission. They will choose local authorities to visit by grouping them into social and economic "families" and then inspecting three from each – one with good results, one bad and one middling.

Reports of the inspections, which will look at whether standards are satisfactory and at whether the authority delivers value for money, will be delivered to each area's education committee, which will be expected to respond with an improvement plan.

Battle for the bones of a \$1m dinosaur called Sue

Edward Helmore

The most complete skeleton of a Tyrannosaurus Rex in existence may fetch \$1m, the highest price ever paid for fossil, when it is auctioned next year. The dinosaur, about 50ft long, was preserved in a rocky South Dakota outcrop in such detail that experts believe she

was a middle-aged female. Named Sue after her discovery by Sue Hendrickson in 1990, she has had a controversial life since.

For four years commercial fossil dealers, paleontologists, a Sioux Indian, the National Guard and several government agencies have wrestled over her in a tangle of legal disputes.

When Sue arrived at the auction house last week she was in boxes sealed by the FBI. Sue was found by Ms Hendrickson, a geologist working for the Black Hills Geological Institute, on land owned by Maurice Williams, a Sioux Indian whose ranch is on the Cicerone River Reservation. The bones were pointed out

to Peter Larsen, a commercial fossil dealer currently serving a two year prison sentence, who paid Mr Williams \$5,000 for the rights to remove the dinosaur. However, paleontologists objected to the Black Hills Institute's prospecting on land that Mr Williams had placed in trust to the government in lieu of taxes. Furthermore, Larsen did not

have a permit to dig on what is technically federal land.

In May, 1992, the US attorney for South Dakota filed 153 charges against Larsen and led a surprise raid on the institute, gathered up Sue's bones and carted them off to a storeroom in Rapid City.

The proceeds from the sale will benefit Mr Williams, who

was given permission by the Bureau of Indian Affairs to sell. However, the controversy is not finished.

No fossil of such significance has ever been on the market before and it is not certain if Sue will fetch Sotheby's "one million plus" estimate. The dinosaur bone market is depressed by recent tyrannosaurus discoveries

and it will cost at least \$500,000 to dislodge and clean the bones.

Whatever becomes of Sue, she will no doubt be relieved to be freed from her crates. "Sue has been an orphaned dinosaur," said David Redden, vice-president of Sotheby's in New York. "We hope the auction will find her a home worthy of her magnificent bones."

ADVERTISEMENT FEATURE

TIME TO GET THAT PERSONAL PENSION SORTED?

Sorting out your pension is one of those things you've probably been meaning to do for years. So why haven't you got round to it yet?

Perhaps it's because you've been put off by the thought of having to wade through reams of complicated paperwork, filling in pages of questions on an application form. Or maybe you've always thought you'd got far better things to spend your money on. Well, we have launched the Virgin Personal Pension for people just like you. It's totally understandable, easy to start and we think it's the best value personal pension around. Of course, we don't see it as our job to persuade you to buy a pension from us – that's a decision for you to make. But if you're self-employed or employed and haven't got a pension scheme, then why not give us a call today? We can give you as much or as little help as you need in deciding if the Virgin Personal Pension is right for you.

Surely it can wait another year or two?

The government offers you massive tax breaks if you save in a personal pension. Each year you put off taking out a pension, the value of those tax breaks gets smaller and smaller. So the longer you leave it, the harder and more expensive it will be to get the kind of income you want to help maintain your current standard of living when you retire.

So the message is clear – the sooner you get cracking, the better your chances are of retiring comfortably, or even retiring early!

But I can't afford a personal pension now!



You may be surprised. If you've got £50 or more you can afford to put away each month and are sure you won't need to get your hands on the money until you retire, then you can probably get started straight away. Bear in mind though, that the chances are you may need to increase the amount you save over the years to get the sort of retirement income you want.

"There is a huge gap between what consumers need, and what the pensions industry has to offer. Ten years ago, the government made pensions a fantastic way to save for the future. Presented with this opportunity, the pensions industry let greed get the better of them. The real answer is increased competition. Now that competition exists!"

Richard Branson

So what next?

Call us and tell us how much you want to tuck away each month and we'll send you a personalised information pack which will contain all the information you need to know. But starting a pension is such a vital decision, you should be choosy about who you buy from. So try phoning a few other companies. Ask them these questions and see how their answers compare:

- 1 Are your charges amongst the lowest in the business? Some pension companies could take almost a fifth of your retirement fund in charges*. Our charges are amongst the lowest you can find.
- 2 How much of my money are you going to take in commission? People are often appalled at how much of their money disappears in commission. We refuse to employ salesmen or pay commission. It's your retirement you're saving for, not someone else's.
- 3 When I need to change the amount I save, will I be penalised in any way? Many pension plans advertised as 'flexible' allow you to make changes but charge you through the nose for the privilege. With the Virgin Personal Pension you can stop, start, increase or decrease the amount you save and you won't have to pay a penalty for doing so.
- 4 Once I've bought your pension, will I ever hear from you again? Some companies you'll hardly hear from. Others you'll never see the back of! We write to you twice a year to tell you how your pension is performing. If you wish, we'll also contact you once a year to make sure you're still on track and to see if there is anything you need to change. You're always in control.

*Source: Savings Market, Summer 1996.

Virgin direct
personal pension
0345 977 22 35



Richard Branson putting a rocket up the pensions industry

Virgin Direct Personal Financial Service Ltd is regulated by the Personal Investment Authority for life insurance and unit trust business and represents only the Virgin Direct marketing group. The price of units and any income from them can go down as well as up and you may not get back all the money you invest. Past performance is not necessarily a guide to the future. The basis of tax may change and the value of the tax benefit depends on how much tax you pay. Virgin Direct only markets its own products. For your security all calls to Virgin Direct are recorded and randomly monitored.

news

Drugs charge drives trucker to despair

Jojo Moyes

Steven Bryant always wanted to drive a lorry. As a small boy he would climb into his father's cab and accompany him on trips. Aged 21, to his father's pride, he got his own HGV licence.

Now the 42-year-old, who has four children of his own, is two weeks into a hunger strike in a Moroccan jail, having become one of a growing number of lorry drivers convicted for drugs smuggling. And according to latest medical reports, he is unlikely to survive beyond Christmas.

Bryant's case is one that has prompted a new joint initiative between UK Customs and the United Road Transport Union. Signed two weeks ago, the "Memorandum of Understanding" attempts to put drivers on a par with postmen, airline pilots and ships' captains in acknowledging that not all drivers are guilty when drugs are found in their charge.

It states: "[They] should not, in the absence of further corroborating evidence, be held responsible or be subjected to prolonged detention simply on the basis of being theoretically in charge of a vehicle and/or load on or in which drugs have been secreted."

Unfortunately for Bryant, from Waltham Forest, north-east London, foreign authorities are yet to be convinced. In March 1993, returning from his third trip to Morocco, Bryant was jailed for 10 years after cannabis was found in his cargo of frozen squid. He has always denied any knowledge of the drugs.

His father, Peter Bryant, 65, says: "He wouldn't do that. He's never been in trouble for anything. That was his third journey to Morocco and every time he had aggravation with customs."

Instead, Bryant found himself in jail in Tangiers, sharing a cell with 43 other inmates. He is now two and a half years into his sentence with no possibility of an early release.

"I last saw him two years ago," says Mr Bryant. "I had to stand behind bars 6ft away and I could only hear half of what he said because everyone was shouting around him. It's terrible conditions - just like a cat-



Long haul: Peter Bryant fears for his son, Steve, who is on hunger strike in Morocco. Photograph: Emma Boam

Britons on the route to trouble

John Jones, 55, from Maidstone, Kent, served two years after being arrested in 1992 and charged with cannabis smuggling. He was freed after a royal pardon from the King of Morocco.

John Barber, from North Wales, was arrested in France in 1994 on suspicion of smuggling cannabis and served three months on remand before being released without charge.

Roy Clarke, 48, from Ewell, Surrey, was arrested in Spain in 1994 and charged with smuggling £40m of cannabis. He was acquitted after serving 18 months on remand and being released on bail.

Stan Allsop, 48, from Lichfield, Staffordshire, was arrested in Calais in July, on suspicion of smuggling £8.5m of heroin. He spent 10 weeks on remand before being released without charge.

He shed. I was shocked." His mother, Sheila, drew herself into campaigning for his release but then contracted cancer. "She worked so hard for his release. I think it was all the worry and stress brought the cancer out," Mr Bryant says.

"We went to see the Moroccan embassy earlier this year and they promised us a phone call from him. But it never came. She was so disappointed."

bers of truckers convicted of transporting drugs amount to several hundred world-wide. He has approximately 20 such cases on his books, and says that the problem took a "quantum leap" with the breakdown of borders in the European Union.

Mr Jakobi thinks the majority are innocent, and is trying to persuade Brussels' transport commissioner, Neil Kinnock, to make legal changes that would recognise the powerlessness of drivers over their loads.

Fair Trials Abroad has teamed up with the EU's federation of transport workers unions to provide expert evidence in similar cases. They are also pushing for more international memoranda.

But, as Steve Bryant's parents found, getting support for "middle-aged lorry drivers", especially an owner-driver without the back up of a big company, is not easy. "Give me 18-year-old girls and I'll conquer the world," says Mr Jakobi, who handled the cases of Patricia Cahill and Karen Smith, released from a Thai jail after being convicted of drug running.

"The problem with middle-aged lorry drivers is simple - they're middle-aged lorry drivers. You can't get publicity."

Meanwhile, the latest report from the Medical Foundation for the Care of Victims and Torture suggested this weekend that Bryant will not live beyond Christmas. In his last letter to his father, two weeks ago, he said that he felt better now that he "could see an end in sight".

"Believe me it is more human to put people to death than force them to live like animals," Bryant wrote. "It is going to be hard for you to accept but I have thought this out and I know I can't handle any more. If you could see how it is here... then I am sure you will understand."

Gai Kristoffersen, pro-consul at the British Embassy in Morocco, has been visiting Bryant. She disputed that he was depressed and said he was "fine, apart from feeling light-headed" and taking enough liquid.

But she says she has many British prisoners to visit, and many truckers. As for his hunger strike: "The Moroccans haven't really noticed... He was accused and found guilty. They won't let him out."

Electric moment as oldest cinema reopens



Double value: Max Klepper - A Life in Pictures, using film and stage, previewed yesterday at the oldest cinema in London, the Electric in Portobello Road. Emily Lloyd, on screen, makes her theatrical debut. Photograph: Emma Boam

The great escape.

We don't make you lock up your savings just because we pay you higher interest.



	£500- £4,999	£5,000- £9,999	£10,000- £24,999	£25,000- £49,999	£50,000- £99,999
Direct Line Instant Access Account	4.50%	4.75%	5.50%	5.65%	5.75%
Halifax Solid Gold (90 Day Notice)	2.75%	3.05%	3.80%	4.30%	4.50%
Woolwich Premier 90 (90 Day Notice)	N/A	3.10%	3.85%	4.60%	4.85%
Yorkshire Building Society Key 90 Plus	N/A	N/A	4.05%	4.50%	5.00%

All rates are gross* and correct at 29th October 1996.

Want to earn a higher rate of interest but don't want to lock your savings away in a bank or building society for up to 90 days? Call Direct Line. Higher interest and instant access aren't the only benefits either. The more savings you have, the higher our rates get. You can pool your savings with family or friends to reach even higher returns. And of course everything is done from the comfort of your own home. So if you want higher interest and instant access don't lock your savings up in a bank or building society. Save with Direct Line.



0181 667 1121

0161 833 1121

0141 221 1121

LONDON

MANCHESTER

GLASGOW

CALL ANYTIME 8am to 8pm Monday to Friday and 9am to 5pm Saturday. Please quote ref. IND25
Internet address: <http://www.directline.co.uk>

Savings are provided by Direct Line Financial Services Limited, 250 St. Vincent Street, Glasgow, G2 5SN, which is a member of the Deposit Protection Scheme established under the Banking Act 1987 (as amended). Payments under the scheme are limited to 95% of a depositor's total deposits subject to a maximum payment to any one depositor of £18,000 (or ECU 20,000 if greater). Further details of the Scheme are available on request. *The gross rate is the rate paid without the deduction of income tax. All rates shown are subject to variation and are based on annual payments of interest. For more about savings, all telephone calls will be recorded and the recording kept on file. We may also monitor telephone calls to help us improve our service. Direct Line and the red telephone on wheels are the trademarks of Direct Line Insurance plc and used with the permission of Direct Line Insurance plc.

In this week's

Time Out

Christmas shopping!

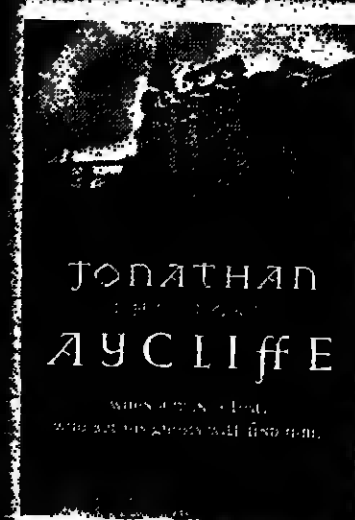


Our bumper gift guide has it all wrapped up.

Out now.

<http://www.timeout.co.uk>

GET



THE LOST!

If you only read books at night, this is not for you! The Lost - the new paperback from Jonathan Aycliffe. SUBMIT YOUR KING JEST STORY LIKE A LOT OF A LOT!

مكتبة من الامم

150 من الاجل



Deep inside every overstuffed corporate database, there are priceless insights and brilliant business plans struggling to get out. How do you set them free? With Digital data warehouse systems. Their 64-bit power muscles through complex queries hundreds of times faster.

Hold on to your data. Expands to multiple terabytes of storage. And generally makes 32-bit systems look like seven stone weaklings. Digital data warehouse systems are enormously scalable, too.

AND ACTUALLY GETTING IT INTO SOME KIND OF SHAPE.

Their open architecture and Digital UNIX® platform work effortlessly with other systems. So future growth is all gain, and no pain. Digital partnerships with key players like Oracle.

Informix and Sybase give you a huge choice of database applications, and familiar access and reporting tools like SAS.

Digital data warehouse systems are already hard at work around the world. doing trend analysis, profitability modelling, risk management, inventory control, supply chain planning

digital and other heavy lifting. Want to know more? **WHATEVER IT TAKES™** Just call Digital on 0800 393 200, or e-mail us at moreinfo@digital.com or visit us on the World Wide Web at <http://www.digital.com>.

See Digital's Data Warehousing solutions in action at Stand 241 at Data Warehousing '96 Olympia, London November 19 & 20.



PERFORMANCE IMPROVEMENTS
AlphaServer 8400 system running 64-bit vs. 32-bit Oracle 7™:

Complex queries (5-way join):
251.9 TIMES FASTER
Ad hoc queries (3-way join):
95.4 TIMES FASTER
Full table scan (parallelized):
17.3 TIMES FASTER

Performance information, bench marked by Oracle Corporation, reflects 32-bit vs. 64-bit versions of Oracle 7 running on Digital's AlphaServer 8400 system with Digital UNIX. ©1996 Digital Equipment Corporation. Digital, the DIGITAL logo and AlphaServer are trademarks of Digital Equipment Corp. UNIX is a registered trademark in the United States and other countries, licensed exclusively through X/Open Company, Ltd. Digital UNIX V3.2 on Alpha is an X/Open UNIX93 branded product. Oracle 7 is a trademark of Oracle Corporation. All other products are trademarks or registered trademarks of their respective companies.

the
om-
ing
im-
ring
cen
and
led
for
ent,
the

it's
ind
ter
rst
om
he
to
nd
ol-
tic
li-

nd
e
nd
of
nu
of
ir
tip
d,
re-
st
to
e-
at
n-
re
af-
in
p-
at
id
e-
re
n-
mp
n-
n-
ig
it
ie
al

open
ation
orth.
ad on
re no
group

24
largest
We offer
it to get
ise it to
insurance

Who is the second-largest supplier of weapons in the world? China? France? Russia? No, it's Britain

These ones are illegal ...

Steve Boggan and Michael Streeter

A dingy office above an aromatherapy shop in north London became the focus yesterday of a worldwide search for the arms dealers who broke the UN embargo to Rwanda.

The name on the door said the office, in Vivian Avenue, Hendon, was the home of Travelour (UK) Ltd, a travel agency and import-export business, but it was locked and its operators had vanished, cancelling the newspapers in their wake.

Attention focused on the address because it was from there four years ago that a man called Anoop engaged a firm of accountants to act for another company, Mil-Tec Corporation Ltd. Mil-Tec was the company name on invoices for arms, totalling some £5.3m, found on a bus abandoned at a Hutu refugee camp in eastern Zaire on Sunday.

The discovery led Labour to call for an inquiry yesterday and for the Prime Minister's office to express concern at suggestions that a British company had breached a UN embargo imposed in May 1994 while soldiers of the Rwandan army were slaughtering up to a million Tutsis and moderate Hutus.

The documents, found by a BBC reporter, show that Mil-Tec, registered in the Isle of Man, had supplied millions of rounds of ammunition, thousands of AK-47 rifles, grenade launchers, hundreds of rockets and tens of thousands of mortar bombs and grenades. The shipments went on until well into July 1994.

Yesterday the men behind Mil-Tec were lying low. The company is fronted by a nominee company, Business Management Services Nominees Ltd, and a professional company secretary, John Donnelly, of BMS Company Secretaries, based on Sark, in the Channel Islands. Neither company has a listed phone number and Mr

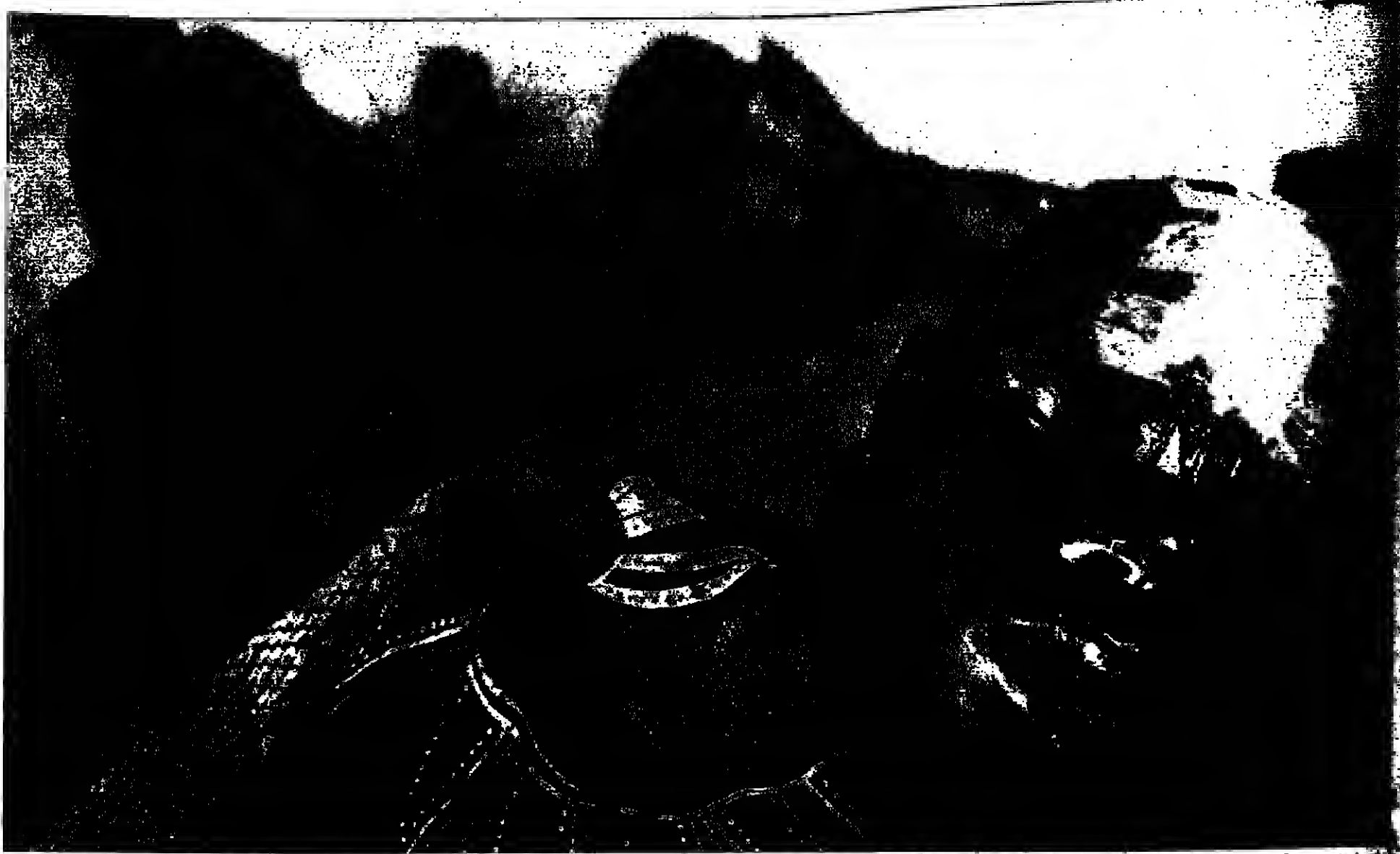
Donnelly's number is ex-directory. Under Isle of Man company law, the beneficial owners of a company can remain anonymous.

However, a lead was provided by Dhiri & Co, a firm of accountants in Hove, which said it had been contacted by a man called Anoop four years ago who asked for book-keeping services. "We agreed we would do the book-keeping but we never heard from them again," said a member of the firm. "We had no idea that they were using our address and telephone number on their company stationery. I think we have been well and truly conned."

He said he had been contacted by a man from the company whom he knew and had been assured they were involved simply in import-export trading. "We had no idea that they were involved in dealing with arms ... this has all come out of the blue."

The address given by Anoop is now occupied by Travelour. Its sole director is listed as Anjana Vidyarthi, 43, of Allington Road, Hendon; the company secretary is Kumar Rakeesh Gupta, of Spencer Road, Isleworth, west London, and the principal shareholder is named as Sneha Mehta, although no address is listed at Companies House for Mr Mehta.

The Vidyarthi residence was deserted yesterday. At the Gupta home, a woman describing herself as Mr Gupta's sister-in-law, also called Gupta, said Mr Gupta had been on holiday in Nairobi for a month. Asked if there was an Anoop in the company, she replied: "Yes, he's the boss, Anoop Vidyarthi." It is understood Mr Vidyarthi, 47, is the husband of Anjana Vidyarthi. Neighbours described them as Kenyan Asians. Mrs Gupta said the business was involved in travel and some import-export, but not arms. "I know my brother-in-law well. He would not get involved in anything like that."



Price of war: A Zairean in hospital in Kirotshe, near Goma, after being attacked by Hutus, who include the recipients, it is claimed, of arms from British firms

Photograph: AP

... but these are a great export success

Michael Harrison

Britain may have lost much of its car, consumer electronics and engineering industries. But there is one thing it still does better than most other countries and that is to make and export arms.

The £500m defence order signed last weekend with the Gulf state of Qatar helped reaffirm the United Kingdom's position as the world's second

largest exporter of military equipment after the United States.

The firms involved in that order - British Aerospace, GKN, Vespene Thornycroft and Shorts of Belfast - have helped the UK run a trade surplus in arms for as long as anyone can remember.

Leaving aside the US, far and away the biggest exporter of military hardware, only the French come close to challenging

Britain's position in the arms exporting league. Last year, the UK sold £5bn worth of defence equipment overseas, giving it a 20 per cent share of the world export market. According to the Department of Trade and Industry, the defence sector provides 400,000 jobs across the country.

Britain's biggest arms exporter is British Aerospace, which manufactures everything from Tornado fighter aircraft and trainer jets, to surface to air missiles, tank ammunition and rifles. It owes that position largely to the £20bn Al Yamamah arms-for-oil deal signed between Britain and Saudi Arabia in 1985.

That one contract, mainly for Tornado jets, is worth about £2bn a year to the British defence industry alone. Last year BAe's defence business notched up sales of £4.3bn. The Middle East was BAe's single biggest market, accounting for £2.7bn of the group's £5.7bn sales and

the major slice of its £10bn defence order book.

BAe is also one of the few British arms suppliers to have penetrated the Pentagon in any serious way, supplying the US Marine Corps with the naval version of its Harrier jump jet.

Close behind BAe comes GEC-Marconi, which specialises in defence electronics, radar and missiles. GEC also owns the Yarrow warship yard on the Clyde and the Trident nuclear submarine builder VSEL, which also makes howitzers and surface ships.

Last year, GEC's sales from electronic and defence systems reached £3bn, of which 45 per cent were exports. Among overseas successes are deals to supply flight-control systems for the US Navy's F-14 Tomcat combat aircraft and head-up cockpit display systems for F-22 fighters.

GEC is also a prime contractor on the UK's Merlin helicopter programme where it

supplies the Blue Kestrel radar. There are high hopes that the Merlin will bring in substantial export orders.

The Merlin is the naval variant of the Westland-built EH101. Westland, now owned by GKN, is supplying 16 variants of the EH101 to Italy in a deal worth £150m. Westland is also supplying Super Lynx helicopters to the Brazilian Navy under a £110m contract and is hopeful of orders from as far afield as Australia, Malaysia and New Zealand.

GKN's other major arms exports are armoured vehicles. It is supplying 250 Desert Warriors to Kuwait. Piranha armoured vehicles to Oman and Sinba armoured personnel carriers to the Philippines.

The other major supplier of fighting land vehicles is Vickers, which is bidding to supply its Challenger 2 tank to the Saudi. It is in a deal that could be worth £2bn.

Britain's biggest exporter of

naval equipment is the Southampton-based warship yard Vospers Thornycroft which makes minehunters, corvettes and fast patrol craft. More than 80 per cent of its £250m sales are exports and 43 per cent of its £450m order book comes from overseas military customers.

The Ministry of Defence and the DTI are notoriously defensive when it comes to arms exports because of the difficulty of balancing economic factors such as job creation with humanitarian considerations.

Earlier this year, after meeting a delegation from the Campaign Against the Arms Trade, the Trade Minister Anthony Nelson said: "The Government is committed to a responsible policy on defence equipment sales. We do not allow arms to be exported indiscriminately. We do not export equipment which is likely to be used for internal repression and defence sales are strictly controlled."

A CABLE & WIRELESS COMPANY

MERCURY COMMUNICATIONS

BT TO ITALY:

£1.48

MERCURY TO ITALY:

95p

(GO ON, KEEP THE CHANGE.)

You know what they say about looking after the pennies. Call Paris, Milan or Bonn and you'll save a lot more of them with Mercury SmartCall. We're still between 20% and 39% cheaper, for international calls. **FreeCall 0500 500 366.**

Mercury SmartCall

You don't have to be a genius to see how much you'll save.

Prices quoted to Italy based on a 5 minute economy call. Prices and savings correct as at 8 October 1996, compared with BT's basic rate for international calls of 5 minutes or more, 6pm-8am weekdays and any time at weekends. Savings available for a quarterly fee of £3.75 (inc. VAT). <http://www.mercury.co.uk>

Oxfam Continuing crisis in Central Africa

The return of refugees from Zaire is one of the greatest movements of people the world has ever seen. Oxfam is providing water for the hundreds of thousands on the road home. An uncertain future awaits them.

Worse news is that hundreds of thousands of Zaireans and Rwandans are still unaccounted for in Zaire. They are without clean water and at risk from disease. Cholera has already claimed lives.

The situation changes by the hour, but Oxfam is ready to help these people. Your donation will help to provide the first wave of emergency aid - clean water, sanitation and shelter. You can help to save lives.

Please, give a donation today.

by credit card 01865 312231

Yes, I want to help Oxfam's work in Central Africa. Here is my donation of:

£25 ☐ £50 ☐ £100 ☐ £250 ☐ £

Mr, Mrs, Miss, Ms

Address

Postcode

Please send to: Oxfam, Room BB12, FREEPOST, Oxford OX2 7BR.

Oxfam United Kingdom and Ireland is a member of Oxfam International, Registered Charity No. 202918

OXFAM UNITED KINGDOM & IRELAND

Renewing your home insurance in November or December?

If you are 50 or over, just see how much you could save with Saga - call us NOW

You will know how expensive home insurance can be. Thankfully, if you are aged 50 or over you can benefit from SAGA Home Insurance - a superior household insurance that is only available to mature, responsible people like you.

SAGA Home Insurance can offer you genuine savings over other policies, while giving you cover that fully protects your home and possessions.

The Saga Price Promise
If you find another comparable policy at a lower price within 2 months of taking out SAGA Home Insurance, we will refund you the difference.

SAGA
Services Ltd

Saga Services Ltd, FREEPOST 721, Middlebury Square, Folkestone, Kent CT20 1JZ

Saga Services Ltd would like to send you information about services provided by other Saga companies and may pass details to those companies to enable them to do so

And why not ask us about our competitive MOTOR INSURANCE

Insurance cover is comprehensive and low cost
Discounts for home security
Free pen with your quotation

Call us today














For your free no obligation quote, call us on the number below. We will be pleased to answer questions you have about SAGA Home Insurance.

0800 414 525

ref IDN60

Lines open Monday - 8pm, Saturday 10am - 4pm

سكنا من الاصل

Item	Number	Cost
 Small arms	10,000	\$1m
 Machine guns	500	\$1m
 Mortars	500	\$2.5m
 Ammunition	Rifle: 10m rds Mortar: 10,000rds Machine gun: 2.5m rds	\$5.3m
 Helicopters	12	\$5m
 Armoured cars	40	\$4m
 Training	30 man team for 6 months	\$1.5m
 Uniforms/helmets	10,000	\$0.8m
 Rocket-propelled grenades	1,000	\$1.2m
 Mercenaries	30 for 6 months	\$1.5m
 Communications	1,000 CB radios/base sets	\$0.6m
 Specialist equipment	e.g. 10 rubber boats/engines	\$1.0m
 Combat rations	250,000	\$2.5m
Total		\$28m

(Excludes pay for local troops)

The heavy-handed removal took place despite protestations of staff that the patients were too sick to move. The attack came as the charity, *Médecins sans Frontières*, announced 50 confirmed cases of cholera among the refugees.



Surfers' Paradise



If you'd like to ride the crest of a wave with a PC that not only gives you quality, performance and value for money, but Internet capability, too, Gateway 2000[®] has you well. Boasting an impressive array of features, the P5-133 Internet has the right mix with its rising performance, plunging through your tasks at an impressive speed.

Make a Splash

You won't be out of sea when you opt for a Gateway 2000 PC for the P5-133 Internet. You know, you'll get the excellent value for money provided it's only a few top-quality clump prints from award-winning manufacturers, as well as having in a very quick bundle of the latest Internet software. And it all comes to you at an extremely competitive price. Quite a splash.

You'll also receive benefits of award-winning service and support including:

- Free telephone support on any of your hardware and software for as long as you own your PC
- The new 3-year or 30-day money back guarantee (whichever is not refundable) and Gateway 2000 warranty

As America's number 1 direct manufacturer of PCs, we're proud to be able to offer you a real deal. And that's the Gateway 2000[®] beginning in the Atlantic, Mid West, we've got you covered. A Pentium 500 computer with an exceptional Internet bundle.

Dive into our Showroom and see for yourself!

When you take the plunge, but don't go to our Showroom, to check it out, we'll be able to offer you a real deal. And that's the Gateway 2000[®] beginning in the Atlantic, Mid West, we've got you covered. A Pentium 500 computer with an exceptional Internet bundle.

SHOWROOM HOURS OF BUSINESS:

Monday - Friday 10am - 6pm
Saturday 10am - 5pm
Sunday 11am - 5pm

P5-133 INTERNET

- Intel[®] 133MHz Pentium[®] Processor
- 16MB High Performance SDRAM
- 256KB Pipeline Burst Cache
- 3.5" Diskette Drive
- Mitsumi Twelve-Speed CD-ROM
- Western Digital[®] 2.5GB EIDE Hard Drive
- 28.8 Data/Fax/Voice Modem
- Integrated Creative Labs FM Sound Card with
- Altec Lansing ACS41 Speakers
- Integrated ATI GT 3D 2MB SGRAM Graphics Accelerator
- 15" CrystalScan[®] Monitor
- Desktop/Mini Tower Case
- Windows[®] 95 125 Anykey[®] Keyboard
- Microsoft[®] Mouse
- MS Windows 95
- Internet Software Bundle
- MS Generations Software Bundle
- Games Bundle
- MS Encarta[®] 96 (US Version)

£1249 (£1501.65 inc. VAT & delivery)



GATEWAY2000

"You've got a friend in the business."

0 8 0 0 3 9 2 0 0 0

<http://www.gw2k.co.uk>

Gateway 2000, Clonsilla Industrial Estate, Dublin 17, Ireland.

Configuration and prices are subject to change without notice.

©1996 Gateway 2000 Europe. CrystalScan, Mark and Wave are design "TM" logos.

"You've got a friend in the business" slogan, Family PC and Gateway 2000 are trademarks or registered trademarks of Gateway 2000, Inc. The Intel logo, Intel brand and Pentium are trademarks or registered trademarks of Intel Corporation.

Industry standard practice is to measure computers using the CPU rate. Actual benchmark rates can be approx. 1.2% less.

All sales subject to Gateway 2000 Europe's standard terms and conditions and General Conditions.

Enquiries must be aged 18 or over. In order to safeguard our customers, certain transactions may require written confirmation. First Direct is required to open an account for you. First Direct credit facilities are subject to status. For written details of services write to First Direct, Freeport, Leeds LS18 7FD. First Direct is a division of Midland Bank plc. Calls may be monitored and/or recorded. LLOYDS Cheque Account details are based on the Classic Account. The costs comprise fees of £3 per month. BARCLAYS Cheque Account details are based on the Barclays Bank Account. The costs comprise fees of £3 per month. NATWEST Cheque Account details are based on the Current Plus Account. The costs comprise fees of £3 per month. All information correct at 6 November 1994, but fees may vary. Free banking means that there are no charges for cheque and cash machine withdrawals in the UK, standing orders and direct debits. Switch payments or monthly statements. Member HSBC Group



**If you part
with this
to bank...**

**...are you
with the
right bank?**

first direct

Why pay £108 for a £250 overdraft?

£108. That's what you could pay every year for a £250 overdraft facility if you don't bank with First Direct. It's madness isn't it?

Annual current account charges (£250 overdraft)

NatWest Current Plus	£108
Lloyds Classic	£96
Barclays Bank Account	£60
First Direct Cheque Account	£0

Why pay anything if you can get it free?

What's more we don't ask you to pay for any everyday transaction charges – even when you're overdrawn. Cheques and cash withdrawals in the UK, standing orders, direct debits and our automated bill payment service always come free. Free of charge, free of irritating letters.

Why let your bank tell you when to bank?

And free banking with First Direct is also free of any silly restrictions. We're open 24 hours a day, 365 days a year. So wherever there's a telephone you can talk to our friendly and efficient Banking Representatives just when you want to. All for the cost of a local call from anywhere in the UK.

Why get less from your bank?

We're the UK's leading 24 hour personal telephone bank – with 825,000 customers – a member of the HSBC Group which is one of the largest banking and financial services organisations in the world. We offer better, more convenient banking. Take the First Direct Card. Use it to get up to £500 a day from 9,000 cash machines in the UK. Use it to guarantee cheques up to £100. And we offer savings, loans, insurance and travel services by telephone too.

Join us today and never be with the wrong bank again

call free

0800 24 24 24

or complete the coupon and post to: First Direct, FREEPOST, Leeds, LS18 7FD

Name

Address

Postcode Telephone No.

international

CIA rocked by latest Russian spy trial

Rupert Cornwell
Washington

In the second major Russian spy scandal here in less than three years, a CIA employee was accused yesterday of selling secrets to Moscow since June 1994 in return for more than \$100,000, charges which could bring life imprisonment.

Harold J Nicholson, a veteran with extensive service in the Far East and Eastern Europe since he joined the intelligence agency in 1980, is accused of conspiracy to commit espionage.

In evidence submitted to a federal court arraignment hearing in Alexandria, Virginia, the FBI said it had watched the 46-year old Mr Nicholson photographing top-secret CIA documents about Russia as re-

cently as last Tuesday. He was arrested four days later, on Saturday evening, as he was about to board a foreign flight at Washington's Dulles International Airport.

"Mr Nicholson betrayed his country for money," the federal prosecutor Helen Fahey said yesterday. "He was motivated not by ideology, but by greed. He was arrested as he was leaving to meet his Russian controllers."

Despite the severity of the penalty Nicholson faces, his case does not appear as serious as that of Aldrich Ames, the former head of the Soviet branch of US counter-intelligence.

Ames spied for the Soviet Union, then Russia, for nine years before his arrest in February 1994, having betrayed agents and secret information

on a scale to match Kim Philby, and inflicted damage which has shattered CIA morale to this day.

Mr Nicholson seems to have been decently paid for his labours, but nowhere near as well as Mr Ames, who received \$2.7 million from the Soviet and Russian intelligence services, with the promise of \$2 million more and a retirement dacha near Moscow.

His postings - including a 1990-1992 stint as head of station in Bucharest followed by two years as deputy station chief in Kuala Lumpur - were not as sensitive, nor were there any link between the two cases, US officials said, even though fears were widely voiced at the time of the Ames arrest that he headed a full-scale Russian spy ring within

the CIA. According to Louis Freeh, the FBI director, Mr Nicholson had handed over to the Russians information including the identities of CIA officers assigned overseas, endangering both them and their foreign contacts.

But the CIA director John Deutch said his agency knew of no CIA or FBI "assets" who had been killed. "We detected this espionage relatively rapidly," Mr Deutch said.

But similarities do exist, not least in the manner of their unmasking. Like Ames, Mr Nicholson reportedly failed a lie detector test. As in the Ames case, suspicions of investigators were aroused by the size of his bank account, and spending far more lavishly than a standard government salary could pay for.



Before the fall: A jubilant President Nixon greets an armed forces contingent with a victory salute

Britain defies US over UN head

David Osborne
New York

Britain appeared poised last night to part company from the United States in a first straw-poll vote on the future of the United Nations Secretary General, Boutros Boutros-Ghali, by supporting him for a second term in the post.

As members of the Security Council yesterday finally got

down to serious discussion of the fate of Mr Boutros-Ghali, whose five-year term expires at the end of December, there was no sign that the US Ambassador, Madeleine Albright, was going to be deterred from carrying out Washington's threat to block his re-election with a veto.

After a first round of talks, Sir John Weston refused publicly to say how Britain would jump in a first vote that was ex-

pected either later last night or today. He remarked, however, that the Government's position remained that Mr Boutros-Ghali had proved to be a "conscientious and competent servant of the United Nations". Diplomats predicted Britain would either vote in favour of retaining Mr Boutros-Ghali or otherwise abstain.

A whole series of votes may have to be taken in the council

- either to find an alternative candidate acceptable to all or to allow time for the US to acquiesce to a compromise to allow Mr Boutros-Ghali at least to extend his current term. In those circumstances, it is entirely possible that Britain could change its position. The US has so far failed to muster any public support for its position. China announced formally that it would be backing Mr Boutros-Ghali.

Watergate opened to a flood of scholars

Only a fortnight ago, the US National Archives completed its move to a huge, brand-new headquarters in suburban Maryland. Yesterday it made available to scholars and general public alike one of its choicest treasures: Part one of Richard Nixon's White House tapes, including June 23, 1972 - the "smoking gun" that made the 37th President's resignation inevitable.

This first of five batches covers 201 hours of the 3,700 hours of Oval Office conversations that Mr Nixon secretly recorded, doubtless in the hope of securing his place in history but in fact guaranteeing his downfall once their existence had become known.

Watergate buffs should be warned: to listen to the tapes you must go to the Archives in person. They cannot be recorded, nor can they be borrowed like a book from a public library. Nor is their quality of digital CD standards, thanks to the rasping, elliptical speaking style

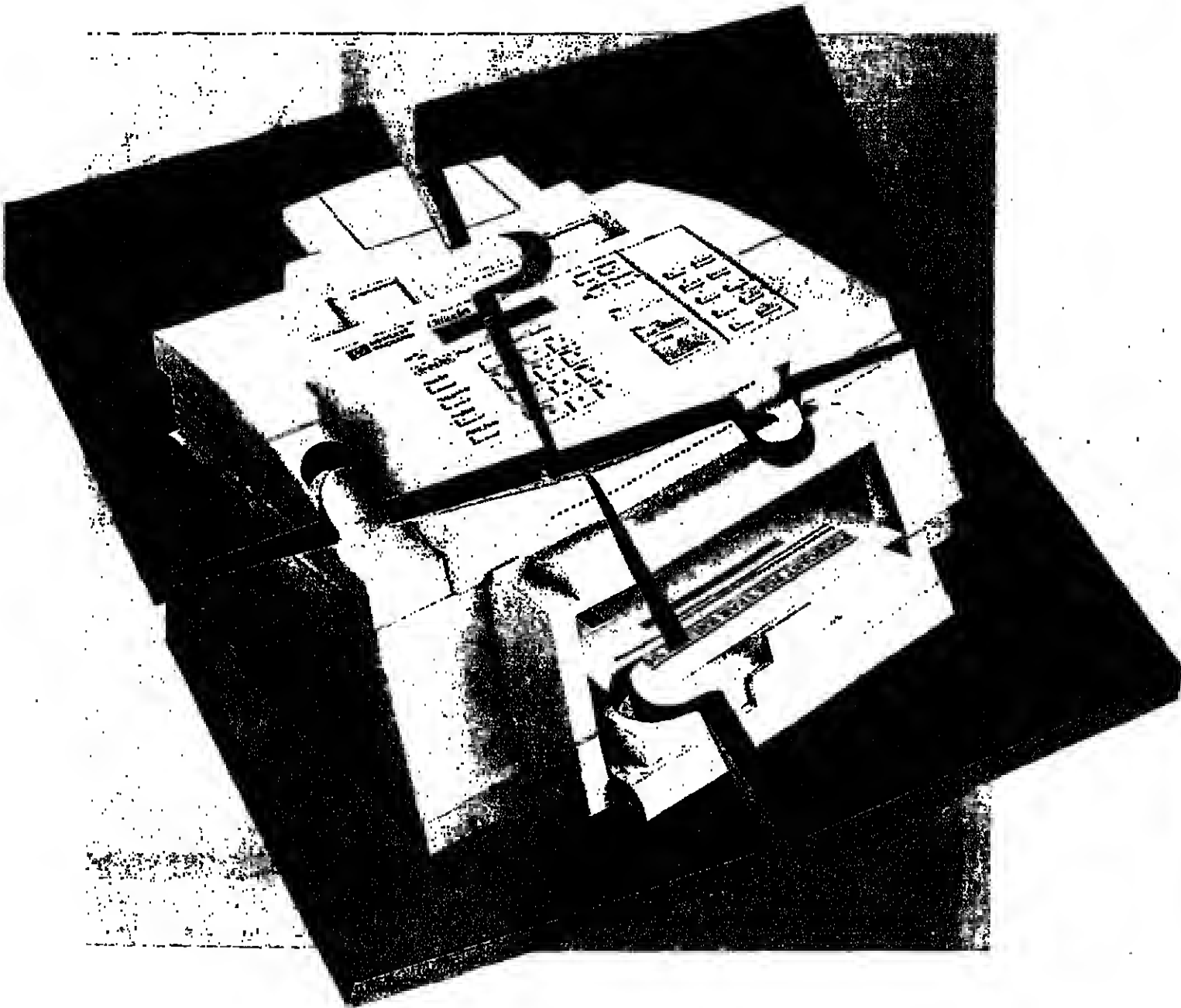
Nixon tapes can now be heard by all, reports
Rupert Cornwell
in Washington

"Don't go further into this case, period." Contrary to his every assertion, the President had known of, indeed orchestrated a cover-up less than a week after the crime.

The tapes finally entered the public domain last April when the Nixon estate gave up a 21 year fight, and agreed to make available all but the most private of the conversations.

In fact crucial excerpts of the tapes, including the "smoking gun" segment, can already be heard at the Nixon Presidential Library in Yorba Linda, California.

But for enthusiasts of American history, the tapes are the tip of the iceberg. The new Archives building will house, *inter alia*, the records and evidence of the Kennedy assassination, copious captured German war records, and Civil War memorabilia - all among 2 billion pages of documents, 8 million photos, 13 million maps and over 200,000 sound recordings.



How do you get a printer, fax, copier and scanner in one product?

We love it when our customers set us a puzzle.

'Here's one for you, HP,' they said. 'How do you get a printer, fax, copier and scanner in one device?'

Simple: the new HP OfficeJet Model 350. Our thinking, however, didn't stop there. We've also considered how to make sure it saves you

space, and offers our usual guarantee of quality and value.

We'll even give you a one year 'Express Exchange' warranty.

For more details on the all-in-one HP OfficeJet Model 350, here's another simple solution.

Just contact your local HP stockist, or call us on 0990 474747.



from around £599 inc. VAT.

The HP OfficeJet Model 350.

<http://www.hp.com>

Available from Action Computer Supplies, Byte, John Lewis, Makro, OfficeWorld, PC World, Staples, The Link and other stockists.

hp HEWLETT
PACKARD



PRINT FAX

COPY SCAN



OR insure your car with

Eagle Star and get a free

24 hour accident

recovery service.

Interested? Call

0800 333 800

EAGLE STAR
Direct

Accident recovery service is available for all comprehensive customers, and for Third Party, Fire and Theft customers where damage is fire or theft related. Available in mainland Britain, Isle of Man and Channel Islands. Phone for a free motor insurance quote weekdays 8am-8pm, Saturday 8am-2pm. Not available in Northern Ireland.

مكتبة الامم

Britons find HK job market is drying up

Stephen Vines
Hong Kong

The last overseas haven for British job seekers is about to shut its doors. Yesterday Hong Kong said it would introduce legislation to end the practice of giving Britons 12 months' unconditional stay in the colony, allowing them to work, study or play without requiring a visa.

It is now proposed to give British citizens six months' visa-free entry but no right to work or study without an employment visa. This is bad news for the many newly arrived Britons who do all manner of menial jobs once exclusively undertaken by Chinese workers. At the other end of the scale it is a blow for highly paid professionals whose qualifications are recognised in Hong Kong, allowing them to slip into jobs paying at least twice as much as in Britain. The colony is so attractive to members of the British bar that it is known as "Treasure Island" in legal circles. Although it was expected the in-

coming Chinese administration would abolish Britons' immigration privileges, it was not thought the outgoing administration would do the job for them. A spokesman said the move was prompted by concern expressed by trade unions, British citizens themselves and their employers, worried about the future. Lee Cheuk-yan, a trade-union leader and legislator, said British citizens had enjoyed unfair advantages over other foreigners and were taking jobs from Hong Kong people.

Many of the jobs taken by Britons, such as labouring, distributing leaflets, delivering sandwiches and other catering jobs, are looked down on by local people, whose employment prospects are better elsewhere. The wheel has come full circle in Hong Kong, where the British used to rule the roost, directing the labour of others, rather than labouring themselves. A decade ago it was a novelty to have British waiters in restaurants and heads would turn if a white man appeared on a building site.

The novelty was also good for business, encouraging Chinese restaurant owners to make a feature of their British waiting staff. Nowadays it is commonplace to see Britons doing menial jobs. The latest figures from the immigration department show that there was a surge of British people coming to live in Hong Kong, with numbers rising by a third from June last year to February this year; 34,500 Britons are recorded as resident in the colony, more than double the number at the beginning of the decade.

As the new Britons come in, many of the long-established British residents, particularly those in the civil service, are moving out. The official localisation policy has meant expatriates wishing to stay in the service have had to accept demotion or had a cap placed on their promotion prospects. Proportionately, Britons fill a higher number of senior posts in the police force but the exodus of the highest ranks of the force is ex-

pected to be even greater than in the civil service as a whole. The British Chamber of Commerce has been busy about pressing the case to preserve the special immigration status of Britons, fearing it would attract unwarranted attention. Although Hong Kong has been a colony for more than a century and a half, Britons have not constituted the largest overseas population for more than two decades. At present, Philippine citizens outnumber the British four to one.

Palestinian's killers fined one tiny coin

Patrick Cockburn
Jerusalem

Four Israeli soldiers belonging to an undercover unit called the Cherry Unit yesterday paid the price for shooting dead an 18-year-old Palestinian man, whom nobody accuses of doing anything wrong. After finding them guilty a military court fined the soldiers one agora, the smallest Israeli coin, which is worth just a third of one penny. Even the one agora fine was a reduction of the sentence originally agreed by the prosecution and defence of one hour in jail, suspended for 24 hours.

The dead man, Iyad Mahmoud Awad-Badr, was killed three years ago when the car he was travelling in approached a civilian vehicle used by the Cherry Unit parked near the village of Salfit on the West Bank. It was dark and the driver, Bilal Amli, says he heard nobody tell him to stop until a spotlight was aimed at him and "we were being shot at with heavy fire. I suddenly saw blood on Iyad's face and I understood that he was injured." A few moments later he heard someone say in Hebrew "we're soldiers."

After being forced to lie on the ground for 90 minutes, Mr Amli and another passenger who survived, were driven to a hotel in the nearby settlement of Ariel and later released. The Israeli version of what happened, given at the time by the Israeli officer investigating the incident, is very similar. The only difference in the officer's story is that the car tried to reverse away from the soldiers. He says: "The soldiers fired at it and the front tyres of the car were hit, but it seems that a few bullets strayed from their path and hit the front windshield of the car."

The decision of the military court to fine the undercover soldiers such a derisory sum after finding them guilty of causing the death of Mr Badran

through negligence is likely to infuriate Palestinians. Bassam Eid, one of the most respected Palestinian human rights activists, yesterday called on the Israeli Government to appeal against "the light sentence given to the four soldiers."

A spokesman for the Israeli army said last night that the military prosecutor would appeal against the verdict. In an apologetic statement the army said that Palestinian witnesses to the shootings had not come to the trial from the West Bank. In addition the prosecution had plea-bargained because "procedures had taken longer than expected" and this had increased the stress on the four soldiers. As a result it had accepted the "symbolic punishment" of one hour's imprisonment suspended for 24 hours.

Earlier the Israeli High Court had approved the interrogation methods, denounced by some human rights organisations as torture, used on a Palestinian suspect named Khader Mubarak. The Israeli Shin Bet security agency described him as a "very senior activist in Hamas's military wing in the Hebron region." Another Palestinian, Mohammed Abdel-Aziz Hamdan, who, according to his lawyer, is only being allowed to sleep for two hours every three days had his interrogation approved by the High Court last week.

Although Mohammed Hamdan has been described by Israeli security as "a ticking bomb" because of information he is alleged to possess about impending bomb attacks, Elia Theodor, one of his lawyers, says that his knowledge is unlikely to be fresh since he has been in an Israeli jail since 7 October 1996. Most of the time he has had a dirty sack over his head. Hamdan told his lawyer that the Shin Bet had out, in fact, interrogated him much "about military action which is going to happen."

Russia's leader shows world a healthy face



Before and after: Boris Yeltsin in the first official photograph since his by-pass surgery (left) and (right) when ill



Yeltsin takes country air as prelude to discharge

Moscow (AP) — President Boris Yeltsin's motorcade was spotted returning to the Kremlin hospital from the country resort of Barvikha, where he is expected to recuperate later this week after his discharge from the hospital. Mr Yeltsin's surgeon, Dr Re-

nal Akhshurin, said the President had planned to take a one-hour stroll in the country. The conductor and cellist, Matilav Rostropovich, a prominent Yeltsin supporter, said he had spoken to the President by telephone and that his voice has changed since the surgery.

Front suffers from left-right détente

Mary Dejevsky
Paris

France's mainstream Gaullist and Socialist parties are joining forces in an attempt to defeat the extreme right wing National Front in a key local poll.

In city council by-election at Dreux, 60 miles west of Paris, the National Front candidate, Marie-France Stirbois, won 36.4 per cent of the vote — little more than at council elections a year ago — while the Gaullist candidate and incumbent mayor, Gérard Hamel, increased his share of the vote by 7 per cent, narrowing the first-round gap to two per cent. The Socialists increased their share by more than 6 per cent. The second round is held on Sunday.

The by-election had been called after an inquiry into last year's election found that Mr Hamel had breached election rules. As head of a company with contracts to supply the council when his name went forward, he was technically barred from standing for mayor. Having resigned his job soon afterwards, he was free to stand again in Sunday's by-election.

The results at Dreux were always going to be scrutinised for a glimpse of the French political mood. A drab town with high unemployment, a large immigrant population and poor communications, Dreux is classic National Front territory. Mrs Stirbois is the widow of

a senior aide to the Front's leader, Jean-Marie Le Pen and an experienced campaigner who won easily in the first round of last year's election.

She was only prevented from becoming mayor when the mainstream parties agreed to co-operate in the second round of voting to keep her out of office in a commonly used tactic known as forming a "Republican Front".

Yesterday, Mrs Stirbois and the National Front were putting a brave face on her showing and speaking with confidence of "our newest National Front mayor", but her chances of winning now look slim.

The Socialist Party leadership in the region has already "recommended" that the Socialist candidate drop out and that Socialist voters back Mr Hamel.

The drawback is that keeping the Front out of office when it wins the largest number of votes, feeds frustration. On Sunday night there were violent clashes between young Front supporters and their opponents in the centre of Dreux.

There is evidence, too, that kept out of parliamentary and local council power by the Republican Front, the extreme right is looking to extend its influence.

It has recently been successful in nominating candidates for school governing bodies, the management boards of council estates, the police and other professional associations.

THE ROYAL MINT WRAPS-UP CHRISTMAS



BEAUTIFUL COINS IN THREE SETS £9.50 - £37.50

THESE SUPERB GIFT SETS DIRECT FROM THE ROYAL MINT MAKE IDEAL PRESENTS - A PERFECT MEMENTO FOR CHRISTMAS 1996.

The 1996 Brilliant Uncirculated Collection is housed in an attractive full colour wallet - it costs just £9.50 and comes complete with a FREE red and gold festive outer sleeve.

The 1996 Proof Collection is beautifully packaged in a blue leather-look display case for £29.75, whilst the Deluxe version at £37.50 looks superb in a red leather presentation case.

In order to guarantee delivery for Christmas, Credit Card orders MUST be placed by 13 December, while all Postal orders MUST be received by 6 December.

FREE ROYAL MINT CHRISTMAS GIFT BAG WITH EVERY ORDER.

PHONE NOW!
On 01222 78 60 95
WITH YOUR ORDERS quoting reference GOPXN.

Price includes Postage, Packaging and VAT.
MONEY-BACK GUARANTEE!
Return your coins within 30 days for a full refund.



ROYAL MINT

Return to Royal Mint, Freepost, P.O. Box 505, Cardiff CF1 1YY. No stamp needed. Don't forget to endorse your cheque, payable to the Royal Mint, or your credit card number.

Please send me:	Order Code	Price	Quantity
1996 UK Deluxe Proof Set (as illustrated)	D96DX	£37.50	...
1996 UK Proof Set	D96	£29.75	...
1996 UK Brilliant Uncirculated Coin Set	DUBKMAS	£9.50	...

Total payable £

I'd like to pay by cheque/Postal order (name and address on back please) ☐

Visa ☐ MasterCard ☐ Expiry date: / /

Card No.:

Mr/Ms/Miss/Ms: Forename:

Surname:

Address:

Postcode:

Tel No.: Date:

Signature

(It is essential to sign for credit card payment)

All orders are subject to availability.

Any order received after the issue is sold out will be returned quickly.

Was this purchased as a gift? ☐ Please tick. GOPXN

THE INDEPENDENT

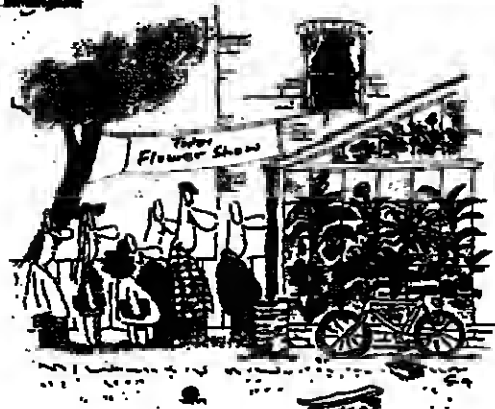
The Independent & Nescafé Blend 37 Competition

Starts
Saturday 23 November
in
The Independent
Magazine

Your chance to win a
laptop computer
or a
Waterman fountain pen

If you want something
mild and mellow,
try something else

NESCAFÉ BLEND 37



You wouldn't hold the UK's most famous flower show anywhere but Chelsea.

If you want to see the finest blooms, nowhere can equal the Chelsea Flower Show. For the blossoming of the brightest business ideas, nowhere is quite like the International Convention Centre, Birmingham.

The modern facilities, impressive quality of service, value for money and superb ease of access are attracting more leading business people to the ICC, all the time.

For conventions, meetings or conferences, make sure you get the pick of the crop. Call 0121 200 2000 today.



The Ultimate Convention Centre
International Convention Centre
Broad Street Birmingham B1 2EA

international

Christopher aims to bury Chinese ghosts

Haunted by the failure of his only previous mission to Peking, the US Secretary of State, Warren Christopher, arrives in the Chinese capital today seeking to "engage" China on a wide range of acrimonious issues and put Sino-US relations on a more stable footing.

It is a measure of the volatile nature of the relationship that this is only the Secretary of State's second trip to China. His first, in March 1994, was an unmitigated disaster. On that occasion, John Shattuck, the assistant secretary for human rights, infuriated Chinese leaders by holding a preliminary meeting with China's well-known dissident, Wei Jingsheng. By the time Mr Christopher flew into town, the authorities had detained a string of well-known dissidents and the visit degenerated into mutual recrimination and sharp exchanges over China's abysmal

With trade set to dominate talks, US must avoid repeat of disastrous visit, writes Teresa Poole in Peking

alleged weapons sales to "rogue" states; and a \$35bn (£21bn) trade imbalance in China's favour.

Mr Christopher's visit will set the tone for the meeting of President Clinton and President Jiang Zemin at the Asia-Pacific Economic Co-operation forum which convenes in Manila later this week. That meeting, in its turn, could yield a much-wanted prize for Mr Jiang - a timetable for reciprocal presidential state visits next year.

The gulf that has yet to be bridged, however, can be measured by the torrent of anti-American rhetoric which has appeared in the media over the past few months. At the more risible end of the spectrum are comments such as one in the lesser-known *Chinese Material News* - that Americans are "shoddy teddy bears with dirty cotton stuffing". Rather more threatening was a publicised quote from Mi Zhenyu, at the Academy of Military Sciences, that the Chinese should "quietly nurse our sense of vengeance".

In the run-up to Mr Christopher's arrival the Chinese signals have been mixed. Last week, the foreign ministry spokesman said China hoped the visit could "help set Sino-US relations on a healthy and stable path". But on Sunday the front page of the official *China Daily* reported that Sino-US relations had degenerated to a "para-Cold War" stage.

From Washington's perspective, the US has already done just that. Not a month has gone by recently without a visit to Peking by a senior US official. But Washington now faces the problem that China's notion of "engagement" may be very different from the West's. Integrating China into international institutions and systems depends on it accepting its subsequent obligations and the occasional compromise.

Professor David Shambaugh, director of the Sigur Centre for

China would remain a "truculent and suspicious partner" for the US, Europe, Japan and others.

China still believes that the US remains intent on containing rather than engaging. In any case, Chinese leaders would regard such a policy of engagement as part of the Western world's attempt to push domestic political change.

The US, for its part, increasingly feels that it is the only country willing to stand up to China on human rights and multilateral issues. Last week, the European Union pointedly criticised America's demanding criteria for China's entry into the WTO. The US Treasury Secretary, Robert Rubin, retorted that other countries were making the US take the lead in avoiding offending Peking.

"We have been doing the work of the world," he said.

On Studies in Washington, said there was "a great deal of ambivalence" among Chinese officials. "On the one hand they want integration for status reasons. They are a great power, they think. They want to be at the table of great powers. But ... they want to change the rules. Is China a status quo power? I would answer, no."

Encouraged by the return of Hong Kong, Chinese rhetoric seethes with a determination to redress perceived grievances.

"China seeks to disperse global power and particularly weaken the preponderant power of the US in world affairs," said Professor Shambaugh.

In doing so, he predicted,



A Filipino police officer with women prisoners in his custody yesterday examines posters they had posted protesting at the aims of the Asia-Pacific Economic Co-operation, to be held in Manila this weekend. Photograph: Fernando Sape/AP



Christopher: Will try to stabilise strained relations

human rights record. Human rights will again cloud this week's meetings, following the recent sentencing of the pro-democracy activist, Wang Dan, to 11 years in prison. But the US policy is now officially one of engagement with China, with human rights only one of many disputes over which Washington says it wants negotiation rather than confrontation. Those disagreements include China's perceived military threat to Taiwan; Washington's barriers to World Trade Organisation entry for China; intellectual property rights violations; Peking's

Clinton takes a breather Down Under

Robert Milliken
Sydney

President Bill Clinton arrives in Australia today for some post-election recreation before moving on to the serious business of the summit in the Philippines at the weekend of the Asia-Pacific Economic Co-operation (Apec) group of countries.

From Hawaii Mr Clinton yesterday telephoned John Howard, the Australian Prime Minister, to warn him that the failed Russian space probe to Mars, carrying plutonium-powered batteries, was likely to crash anywhere between the Timor and Tasman seas, with the towns of Broken Hill and Ti-ti-bourra the most likely targets. After an alert, the crippled vehicle eventually swooped across the country and plunged into the Pacific off Chile.

The incident will have helped the two leaders to get to know

er Reef, where Mr Clinton's real post-election wind-down of golf and snorkelling will begin, but not before he makes a statement about the world environment on Friday.

If the statements and walkabouts suggest an air of populism, that is the main reason for Mr Clinton's detour to Australia on his way to the Apec summit. Before his talks with 17 Asian and Pacific leaders on trade liberalisation in the region, Mr Clinton will be showing Washington's commitment to a revived relationship with Australia since the election in March of the conservative Liberal-National coalition under Mr Howard.

The previous Labor government, headed by Paul Keating, had made much of re-steering Australia's foreign policy towards Asia. The conservatives, under Mr Howard, keen to differentiate themselves from their opponents, have sought to revive the traditional cornerstone of Australian policy, the American alliance. In reality, there is little difference between the two sides of Australian politics.

The formation of the Apec group in the early Nineties was largely the brainchild of Labor, designed to achieve the same ends of cementing an American commitment to the Asia-Pacific region in the post-Cold War world.

Mr Howard spoke on Sunday of "the shared destiny of Australia and the United States in the Asia Pacific region" and Mr Clinton is likely to echo those sentiments in his address in parliament. Four months ago, Washington and Canberra formally reaffirmed their alliance with a declaration that they would conduct upgraded joint annual military exercises in Australia involving about 20,000 American troops.

The declaration angered China, which has also made its displeasure known over Mr Clinton's visit. Peking has described Washington's alliances with Japan and Australia as akin to "two crab claws" aimed at China.

each other when they meet tomorrow for Mr Clinton's one working day during his four-day visit. That will be when he flies from Sydney to Canberra for talks with Mr Howard and his cabinet and addresses both houses of parliament, only the second American president after his predecessor, George Bush, to do so.

Back in Sydney, Mr Howard will host Mr Clinton and his wife, Hillary, on a night cruise of Sydney Harbour. On Thursday the Clintons do a walkabout in Sydney and make an address at the city's botanic gardens.

Mrs Clinton will go on in the Sydney Opera House and give a speech on Warren in the 21st Century.

They fly on Thursday to Cairns, Queensland, and take a helicopter to the town of Port Douglas, near the Great Barrier

The shared destiny of Australia and the United States



Spread your wings with the Samsung SensPro500, a laptop with an impressive 12.1" diagonal screen.

It's so sharp and easy on the eye, you'll find working away from the office is at last really a pleasure. The screen has just the kind of quality you'd expect from the manufacturer of Europe's biggest selling monitors, the choice of leading corporations the world over.

© 1996 Samsung Electronics. All rights reserved. All product names referenced herein are trademarks of their respective companies.

1550 311 1111

Military opens up Burma to tourism

John Lichfield
Chief Foreign Writer

To enforced jollity at home and a chorus of protests abroad, the Burmese military government yesterday launched a campaign to attract tourists to the once-reclusive nation.

In Britain, the Burmese Action Group, will hold a rally tonight to call for a boycott on holiday travel to Burma as a protest against the suppression of political and human rights – including the enslavement of

children and adults to build tourist facilities.

Hopes that the meeting, at the Royal Institution in London, would receive a recorded statement of support from the pro-democracy campaigner, Aung San Suu Kyi, winner of the 1991 Nobel Peace Prize, appear to have been dashed. New restrictions imposed by the government have made it impossible for Ms Suu Kyi to transmit a message, say organisers of the conference, which is partly sponsored by *The Independent*.



Slave labour: Women, elderly people and children working on a road construction scheme outside Rangoon as part of the "Visit Myanmar 1996" preparations Photograph: AP

Instead, Mairead Maguire, a Nobel laureate for services to peace in Northern Ireland, will read out a compilation of extracts from speeches and writings by Ms Suu Kyi in the last year. The meeting will also see

an interview with Ms Suu Kyi recorded earlier this month by Glenys Kinnock MEP, in which she urges a boycott of tourism, investment and trade.

"It all adds up. Drops of water make up the ocean," the

Burmese opposition leader says, in the video smuggled out by Mrs Kinnock. "Sanctions are effective... They are of symbolic as well as practical importance."

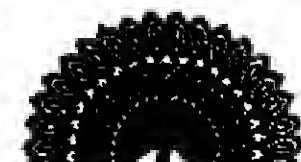
The government – the State

Law and Order Restoration Council (Slorc) – marked the beginning of "Visit Myanmar Year" yesterday with an Olympics-style ceremony, featuring dancing elephants, floats, traditional music and bright costumes. The effect was somewhat

spoiled by military officers shouting orders to performers.

Lieutenant-General Khin Nyunt, head of military intelligence and the ominously titled Secretary One of the Slorc, told thousands of Burmese, diplomats and foreign businessmen who packed into a stadium in Rangoon: "Today is a red-letter day for tourism in Myanmar (Burma). We are celebrating not only the launching of Visit Myanmar Year... but also our commitment to open our doors to the world."

The Slorc hopes to attract more than 300,000 foreigners to Burma over the next 12 months. Campaigners around the world hope to hijack the event, however and publicise the excesses of the regime. In Brussels yesterday, Mrs Kinnock led a picket outside the offices of Club Med, which has recently begun tours to Burma. The protest was joined by the International Confederation of Free Trade Unions, which cited extensive evidence of the use of slave labour in Burma. A spokesman for the ICFTU said women,



Burma Action Group (UK) is urging tourists to stay away

children and elderly people had been forced to work on new motorways, railways, bridges and tourist sites, including the Golden Palace at Mandalay.

In Britain, the Burma Action Group UK reports that four tour operators have dropped Burma from their schedules, but another 30 still offer travel packages to Burma. "Overall, we are confident that there will be no increase in UK tourism to Burma," said Yvette Mahon, a spokeswoman for the group.

Ms Suu Kyi has been especially vocal in calling for a tourism boycott. She said recently: "Travel, it is said, broadens the mind. But there are times when breadth of vision dictates that travel be curbed in the interests of justice and humanity."

significant shorts

Romanians exult at fall of Communists

Millions of Romanians were yesterday celebrating the final ousting from power of the former Communists who had ruled them since the overthrow of Nicolae Ceausescu in 1989.

With nearly all votes counted, Emil Constantinescu, of the centre-right Democratic Convention (CDR), had assured victory in the presidential election against his former Communist rival, Ion Iliescu, and was heralding the advent of a new era of genuine democracy. Mr Constantinescu's success, which came two weeks after the CDR won power in parliamentary elections, completed the swing against former Communists in Romania. And for the tens of thousands of revellers who took to the streets, it marked the final completion of the bloody revolt that toppled Ceausescu.

Adrian Bridge

PM threatens to quit in Belarus crisis

The Prime Minister of Belarus threatened to resign in protest yesterday over President Alexander Lukashenko's growing confrontation with parliament.

Mikhail Chigir wrote to Mr Lukashenko, saying he would step down unless the political and economic situation eased. It came a day after another government crackdown on an opposition demonstration. Mr Lukashenko, who must approve of such a resignation, responded by accusing parliament of pressing Mr Chigir and the entire Cabinet to resign.

Clean sweep in Pakistan

President Farooq Leghari of Pakistan issued an anti-corruption decree yesterday under which convicted politicians can be disqualified for elections scheduled to take place on 3 February.

The law was aimed at cracking down on corruption by politicians and bureaucrats but excluded the President and members of judiciary and armed forces from its purview, the caretaker government's Law, Justice and Parliamentary Affairs Minister, Fakhrudin Ibrahim, said. Two weeks ago Mr Leghari dissolved the lower house of parliament and sacked the prime minister, Benazir Bhutto, on disputed charges of corruption and misrule.

Reuter – Islamabad

Flats-blast toll rises to 49

Rescuers yesterday pulled more bodies from the wreckage of an apartment building that housed Russian Border Guard officers and their families, bringing the death-toll from a weekend explosion to 49.

One or more bombs may have been planted in the basement, though the cause of the explosion has not been established. Police detained a suspect but gave no details. The explosion destroyed 41 apartments in the building at Kaspysk, on the Caspian Sea, in the southern Russian republic of Dagestan. AP – Moscow

Boycott mars Zambian poll

Zambian elections drew peacefully towards their close yesterday, marred by an opposition boycott and disapproval from Western donors who fear it was largely a cosmetic exercise in democracy.

President Frederick Chiluba is set for a second term after barring a challenge from his only strong rival, the "Father of the Nation", Kenneth Kaunda, whom he beat in the first free elections in 1991. Mr Kaunda's United National Independence Party walked out of parliament and led a boycott of the presidential and parliamentary polls they call a farce. Reuter – Lusaka

Macedonian election tussle

The ruling alliance of former Communists had a slight lead over nationalist challengers in local elections in Macedonia, first unofficial results showed yesterday.

The polls were the first for local councils since Macedonia declared independence from former Yugoslavia in 1992, the only republic to do so without bloodshed. AP – Skopje

THE BIG SCREEN EXPERIENCE

And with its wide acceptance angle, your audience won't need eagle eyes to see your presentations.

As you'd expect, the Samsung Sens™Pro500 is impressively specified, featuring an Intel Pentium processor running at up to 150MHz, 16Mb of RAM, 16-bit stereo sound, 6-speed CD-ROM drive, 350MB hard drive, 95 compatible keyboard and PCMCIA 2.0 support.

But we've added just one more Samsung benefit – we make virtually all of the component count and provide a three-year warranty on the complete package.

The Samsung Sens™Pro500. The Laptop no high flyer should be without.

Follow your senses – call freephone 0800 521652.



هكذا من الأصل

Putting the killing machines to better use

It all started at Agincourt. Before 1415 foreign invaders always had the advantage, as they swooped down on the British Isles with their superior battle-field technology. The Romans did it with daggers, the Vikings with their navy. But, as every English history student knows, when the fifth King Hal faced the mighty French army, it was the longbow that saved the day. Raining arrows down from a distance on the advancing foe, the longbow far excelled the little crossbows held by the other side. And so began the long British tradition of weapons manufacture and warfare success.

For a nation with so few private arms, we do a great trade in publicly owned killing machines. Last night Parliament voted for new, tight restrictions on guns. Dangerous weapons are to be kept safely out of civilian hands. Yet at the weekend we discovered that a British company has been cheerfully supplying Rwandan civilians with guns that would be illegal in Britain, facilitating genocide. At the same time Michael Portillo announced with pride a new £500m arms deal with Qatar. Meanwhile last week Australia announced a £1bn order for the Hawk training aircraft built by British Aerospace. Our Secretary of State for Defence is proud of his prowess, our trade unions applaud the retention of jobs, and our military industrial tradition continues.

British companies make serious money from arms dealing; British man-

ufacturers, along with the Americans, build the weapons of the world. We are second only to our friends across the Atlantic for arms exports. Given how low down other international league tables we fall (in output, export and manufacturing) this is quite an achievement. But do we feel proud of it? Should we? After all, we are profiting from the production and sale of equipment whose purpose is to kill and control. The more threatening the global environment, the greater the demand for our weapons. The British economy is disproportionately oriented towards creating destructive material – far more so than the economies of any of our European counterparts. Shouldn't we be trying to concentrate our skills on something less morally suspect instead?

Three arguments are offered in defence of our defence industry: that countries need weapons to defend themselves and promote peace; that someone is going to sell weapons, so it might as well be us; and that we desperately need the work. All three are inadequate to justify the level of national resources that goes into building arms.

For a start, many of our arms contracts do not promote peace at all. Providing Hawk training aircraft for our Nato allies seems fair enough. They are on the same side as us, they are (in the main) democratic governments with good records on human rights. Supplying the Indonesian government with the equipment it needs to repress its own population is consid-

erably more questionable. So is selling arms to Iraq, or pseudo-military equipment to Argentina. The nations we claim as temporary allies for the sake of a few contracts could well be using those weapons against our troops, or our friends' troops, a few years down the line. Nor is it entirely plausible to claim that some other country and some other arms company would step in if we were to stop. Sure, if the Australians were not purchasing the Hawk, they would buy an American or European design instead. However, arms manufacturing is not a competitive market in which firms spring up all over the place to meet pre-exist-

ing demand. The very development and construction of newer, more sophisticated equipment creates new demand, as everyone wants the latest model. Moreover the technology and expertise needed to produce high quality, affordable armaments is concentrated in relatively few countries. International arms embargoes may not stop foreign governments getting hold of weapons at all, but they can deny them the very best and most sophisticated gear. The real reason that politicians, businesses and trade unions are all in favour of our defence contracts is because it means jobs. The people working on dockyard defence

contracts or at the British Aerospace base in Lancashire are understandably keen to cling on to what they have. The world wants weapons, we want work.

But British manufacturing need not be quite so heavily geared towards defence. After 1945 other countries – notably Germany – managed to turn sword building plant into washing machine building plant. An economy geared towards war turned round to reap the profits of peace instead. Ours largely failed in that effort. It might have been better for our economic prosperity as well as for our moral conscience if we had focused a little more on civilian production and a little less on defence. Guns and boats and bombs may have helped sustain Britain's global status (a place on the UN Security Council, a seat at the bar of the nuclear club). But they did not guarantee us conspicuous prosperity in the last 50 years, and there seems no good reason why they should do so in future, either. Perhaps, in the next century, rising tensions will boost the international demand for weaponry, and our over-emphasis on weaponry as a national talent will prove to be a good long-term gamble. But it seems unlikely. Better, surely, to concentrate on diversification, using our skills to move into new and expanding areas of technology.

To do so, we will have to change the culture of the businesses and industries that still depend on defence. The very fact that British society is so un-militant

and un-militarised may have contributed to the dominance of the defence industry. The professionalism of our military feeds into the notion of an expert industry, providing top quality equipment for one of the most skilled armies in the world. But our professional military tradition, from Agincourt, through the Spanish Armada, through the Empire, to both world wars, may no longer be doing us any great favours. We should leave the longbow to history and King Hal, and build something more creative.

A blow for equality

We rejoice when the ancient male bastions fall: men's clubs admitting women, women being allowed to order at the bar – women, in short, feeling free to do anything that men have traditionally kept to themselves. That even extends to women fighting alongside men in battle. But it seems disappointing that boxing is extending its appeal to young girls, when really, ideally, its appeal should be fading for everyone. The spectacle of two people trying to rattle each other's brains, split their facial skin, re-organise their internal organs, and knock them to the ground, is no more appetising because women are doing it.

LETTERS TO THE EDITOR

No cover-up in Europe over BSE

Sir: As far as the actions on BSE of the European Commission are concerned, Andrew Puddheath (article, 15 November) appears to have relied on gossip in the French and Belgian tabloid press; had he followed the proceedings of the European Parliament's Committee of Inquiry into BSE he would surely not have regurgitated the nonsense about the Commission trying to cover up BSE.

The quote from a letter written by Guy Legras, Director-General for Agriculture, is taken out of context; the complete correspondence shows that Mr Legras was pointing out that the matter under consideration (the use of offals in baby food) had already been addressed in a precautionary way but that he was willing to go further if necessary. This is the opposite of the false impression which the selective quote is intended to give.

The assertion that the Standing Veterinary Committee (composed of representatives of the state veterinary services of all member states) had, in 1990, argued that it was "necessary to minimise the BSE affair by using disinformation" is particularly ridiculous. It was not the committee which was supposed to have decided this, but a member of the commission staff who was alleged to have suggested it. Given the different views about BSE held by the 12 member states, it is surely a little difficult, even for the most determined conspiracy theorist, to imagine that they would all have followed such a policy.

It is also clear, from the most cursory glance at the policy followed by the commission, that there was no attempt to cover anything up or to "disinform". Only a month after this meeting of the committee, the commission hosted a major conference on BSE, with the participation of experts from around the world, and published the proceedings.

Perhaps western democracy isn't such a bad way after all.
ANDREW J WILSON

Sir: Could I indicate my agreement with the article (15 November) by Andrew Puddheath, director of Charter 88, on the democratic problems that permitted the BSE crisis.

As one of the few medics in the field able to speak out (no family, no mortgage), I have been denied information and put down as a crank by Maff. All the way through it has seemed as if only internal ideas and decisions could be correct and that anything that suggested human risk was invalid. Misinformation was put out from central sources: the Public Health Laboratory Service was kept out from something that was clearly a matter for experts in the human epidemiology of infectious disease, and other governments and advisors were given inadequate data with which to make decisions.

Things must improve: research must be liberally funded (more than £100 million is needed on independent research). For instance, it is essential that we find out the number of people who are currently incubating BSE, as planning for the future and blood transfusion risks must be considered. The Medical Research Council recently turned down the application to do this. At a recent conference I asked 26 drug



companies if they were considering looking for a CJD treatment. None were.

The real change took place when Professor John Pattison became the chairman of the Spongiform Encephalopathy Advisory Committee. He is looked on as an honest and open person by all groups and his presence has meant that external ideas are at least being considered. Pattison has been the hero that got valid information through to the Government, but under the current system of democracy he might never have arrived. Dr STEPHEN DEALLER, Consultant Medical Microbiologist, Burnley General Hospital, Burnley, Lancashire

Ban on guns is not the answer

Sir: The Firearms (Amendment) Bill has reached its committee stage ("Major heads for a dangerous victory on guns", 18 November). We believe it is an illogical, media-led response to a complex issue. It will not work because it does not address the key problem – spree killing and its causes. Nevertheless, the bill risks lulling the public into a false sense of security. It will also dislocate the lives of tens of thousands of sportsmen and women.

If Parliament is serious about addressing firearms crime, there are sensible steps to take, such as focusing police resources on violent criminals, creating a national firearms control board and doing something to stop the influx of black-market weapons

into this country, the number of which is growing as a result of EU frontier changes, the break-up of the Soviet Union and, not least, the drugs trade.

The policing failure at Dunblane also warrants deeper study. Thomas Hamilton was investigated seven times without action being taken against him. Section 30 of the 1968 Firearms Act would have allowed for the removal of his certificate.

A simplistic ban on one type of gun – the focus of the Firearms Bill – is not the answer. The bill as it stands is theatre. It ignores Lord Cullen's advice and, most worryingly, sets a precedent for legislation which shuns objective evidence and glorifies the irrational. It scapegoats more than a million ordinary people for the crimes of one evil man. It will be the poorest of memorials to his victims.

ALBIE FOX, MICHAEL YARDLEY, The Sportsman's Association, Shrewsbury, Shropshire

Ingratitude of Oxford to Said

Sir: Having spent four very happy years as an undergraduate at Brasenose College, I am appalled at the way that Messrs Said and Flick have been treated by a number of people within the Oxford community ("Said sets limit for £20m gift", 12 November).

Unless I am mistaken, the "arms deal" which is often alluded to was the al-Yamamah project to supply the Saudi Air Force with Tornado aeroplanes. This contract secured jobs and prosperity for this country. Mr Said should be rewarded not reprimanded.

The reason the ethics committee at Oxford gave for not accepting Mr Flick's money (that his grandfather was a Nazi sympathiser) is exactly the reason why they should have accepted the money. The chair of European Thought that Mr Flick wanted to establish would have promoted understanding between the different European cultures and would help to ensure that Europe is never at war again. Surely we should be trying to build bridges with the peoples of Germany rather than burning them.

It is a shame that because of the small-mindedness of a few, many young people may be denied an education in the areas of business and European thought. I hope that Messrs Said and Flick donate their money to more grateful recipients. JAMES ARCHER, London SE1

Put your trust in Santa Claus

Sir: We believe in Father Christmas. Although no Santa has been accused of child abuse, some shops, including Selfridges, have banned unaccompanied children

from entering Santa's grotto (report, 15 November). Two weeks ago we found out that male nurses have been warned off cuddling sick children, now it's Santa. Children and their parents are suffering because of a fear of abuse that far outstrips the actual risk.

Visiting Santa's Grotto allows children to engage in a happy fantasy and enriches their experience. Sometimes visiting Santa for the first time can be a little scary, but it all turns out happily and helps children develop self-confidence with people they do not know.

This action threatens to undermine parents' confidence to leave their child unattended, even for a few minutes. The ban sends out the message that no adult, not even Santa Claus, can be trusted. It says more about the imaginations of people who come up with these plans than about innocent men dressed up in silly clothes. KATE MOORCOCK, Families for Freedom, London N5

Is 'Cassandra' a woman?

Sir: Your "resident Greek scholar" might have pointed out that, besides being murdered by Clytemnestra, Cassandra was, rather more relevantly, a woman ("Predictions galore in Cassandra hunt", 16 November). Shouldn't your line-up of the usual suspects – Austin Mitchell, Tony Banks, John

Help at hand for new parents

Sir: Jack O'Sullivan has some interesting points in his article "Back To School For Mum and Dad" (14 November). However, I am puzzled by his lack of awareness of existing support services for parents of children under five.

All children in this age group have a named health visitor, who provides care and support from birth to when the child starts school. The frequency of contact, which includes home visits, is determined according to the needs of the parent and child, but advice is always available. Help and support is offered, which covers all the topics covered by the New York project quoted in the article (health, nutrition, child development, parenting), but is available to all, not just those on low incomes.

Health visitors are employed by NHS Trusts, but work as part of the primary healthcare team. They can easily be contacted via the local Trust or through the GP surgery. No parent need find themselves in the position of saying "Oh God what do I do now?" ANNE HAWKINS, Health Visitor, Plymouth

Film favourites

Sir: I'm grateful to Peter Popham for informing us that Michael Bogdanov was the director of *The Last Picture Show*.

I've always rated it up there with Bruce Forsyth's *Local Hero* and Terry Scott's *Blade Runner*. STEPHEN GALLAGHER, Blackburn, Lancashire

Refugees still need UN help

Sir: It would be easy to conclude that the worst is over for the thousands who have now left the camps in Zaire and who have decided to return to Rwanda ("Refugees abandon camps to rats", 18 November). However, there is still a job for the United Nations intervention force to do.

Aid agencies are already in danger of being overwhelmed, thousands are still in Zaire and the militia are merely in hiding. We have "needed" but one phase of the exodus. The aid agencies, the Rwandan government and the intervention force need time to turn chaos into an orderly resettlement. This will take months.

This is no time for dithering; a continuing process from survival to rehabilitation needs establishing. More intervention not less is called for in anticipation of close to a million people finally returning.

The developed nations have demanded that the camps be closed and called for the people to return home. Their representatives need to be on the ground now to make more than a symbolic gesture, to demonstrate that peace pays, to sustain one of the most sudden and dramatic movements of people we have ever seen.

DAVID H W GRUBB, Executive Director, Children's Aid Direct, Reading, Berkshire

Sir: Paul Valéry remarks, about the current Zaire crisis ("Too late – yet again", 18 November), that "the odd thing is that such situations should take us by surprise in the first place". Yes, hindsight is always 20:20 but we don't yet have a lexicon of textbook responses to pre-conflict or post-conflict situations equivalent to those well-thumbed guides for the military.

Further, the collective memories of the UN, of its partner NGOs and of the myriad academic institutions that disseminate their own versions of the UN's excursions still require a satisfactory protocol.

This problem extends to the strategic issue of development. The UN's New Agenda for the Development of Africa in the 1990s has just published its Mid-Term Report. It details a good number of positive advances in Africa that will be widely welcomed. But tracking how these follow on from the UN's New Agenda leads one into tricky waters. The UN's new System-Wide Special Initiative for Africa seeks to address this issue. Its transparency, involving 28 UN agencies and the World Bank, will enable the objective onlooker to judge progress on each element of its programme. Perhaps the much-needed protocol might be emerging.

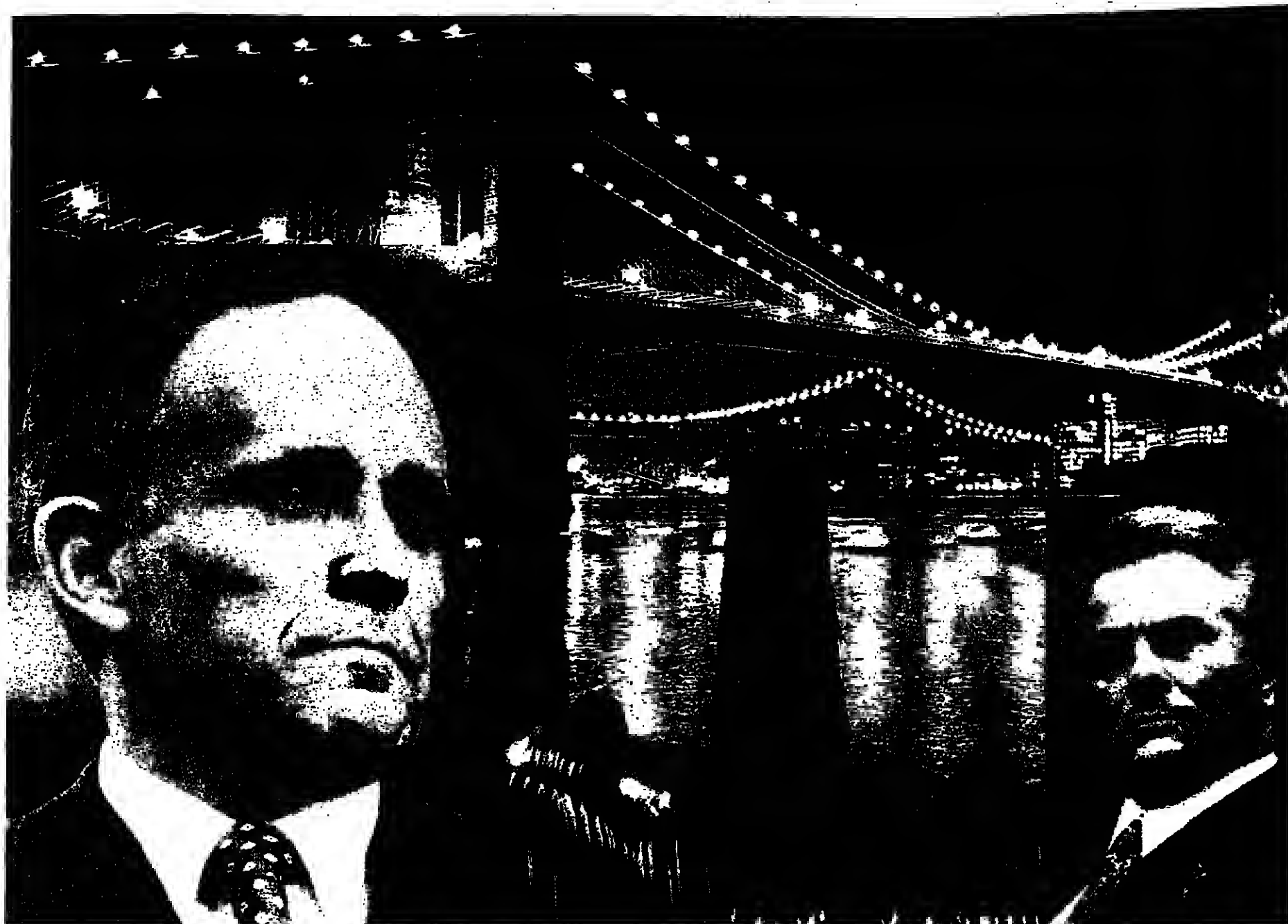
DAVID WARDROP, Chair, London Regional Council, United Nations Association, London W1

Advice for China

Sir: Baroness Thatcher expressed "dismay" at recent harsh sentences for Chinese dissidents ("China feels Thatcher's handbag", 15 November). Is this the same Thatcher who presided over the death of Bobby Sands – a dissident MP? She also counselled the Chinese: "Never be afraid of opposition... let public opposition come out." Is this the same Thatcher who banned Gerry Adams's voice from the airwaves? Is this hypocrisy or stand-up comedy? THOMAS HUTCHISON, McFadden, Pembroke College, Oxford

analysis

Rudolph Giuliani has made New York a safer place. He stopped the squeegee pirates, the fare dodgers and welfare fraud. And now he's after the Mafia. David Usborne looks at the mayor facing the mob



They cover the waterfront: Mayor Giuliani (left) and the Gambino family's John Gotti

City Father v the Godfathers

When Mayor Rudolph Giuliani suggested on late-night TV's *David Letterman Show* that the new slogan for New York City might be "We can kick your city's ass", he might have added, "because that is what I have been doing to mine ever since I was voted into office". Just ask the wind-screen squeegee men who have been evicted from the city's road junctions, the fare dodgers who have been chased from the rail subways or the legions who have found themselves separated from their welfare checks. Best of all, ask the Mafia dons. No politician in America – including the freshly re-elected President Clinton – can claim to have so directly touched the lives of those who elected him than New York's Giuliani.

He has presided over a decline in New York's crime rates that is the envy of every city in the land and, along the way, carried on a campaign

against organised criminals in the Mafia mob that suggests a script for a sequel to *On the Waterfront*.

Giuliani can be peevish and a bully. His thirst for public exposure and acclaim can on occasion make him look like a spoiled child. But when his turn comes for re-election next year, Giuliani will be hard to beat. And that is in spite of the fact that he is a Republican in a town that is Democrat by a margin of five to one.

America's *Newsweek* magazine this month highlighted the seeming paradox that is Giuliani. He is, it declared, the "most hated" mayor in America. It also said that he was the most successful, putting him on its front cover alongside Willie Brown, the mayor of San Francisco, under the headline "City Slickers". While national politics may be all waffle and government reform by baby steps, the magazine argued, it is in cities like New York that the real action can be found.

After his razor-thin defeat in 1993 of New York's last Democrat mayor, David Dinkins, an African-American, Giuliani made a single pledge: to improve the city's quality of life.

Three years later, it is impossible to deny that he has made good on the promise. This year some 1,000 murders will be committed in the city, still a terrifying number, but less than half those recorded in 1993. In FBI rankings of America's most crime-ridden cities, New York has sunk so low as to be almost invisible.

Advertising billboards for the Sony Corporation play on the company name as denoting "So New York". The city that only a few years ago was the international symbol of urban violence and decay is suddenly hip again. Companies want to be associated with it. Hotels and tour buses are overflowing again as tourists overcome their fear of the Big Apple's once-homicidal reputation.

"He ran on a central plat-

form that he would make New York safe again," explains Mitchell Moss of New York University's Urban Research Center. "And palpably, it is a safer place". Writing on Giuliani in *New York Magazine* this month, Michael Thomasky puts it this way: "How often does a politician promise stunning results and actually deliver on them?"

Hence Giuliani's enviable position in the mayoral election race that will climax in 12 months' time.

He has had some luck. Crack cocaine, a drug that feeds aggression, has ebbed in popularity and given ground to heroin, which has a more mellowing effect.

And, although it has lagged the nation as a whole, New York is at last seeing the effects of the economic recovery. Thanks to booming business on Wall Street, the city last week discovered a \$450m windfall in tax revenues, taking it above the year's projections. Adding to the feel-good factor, last month New York, with its population of 7.5 million, was able to wallow in an orgy of civic pride when the Yankees baseball team defeated the Atlanta Braves to win the World Series.

Nor is it clear that being "hated" will necessarily work against the mayor. It is true that his approval ratings are ominously low, never rising above the 50 per cent that is regarded as a must-break threshold by most politicians. He is regularly labelled as vindictive by his foes, including Ed Koch, the still-ubiquitous predecessor of Dinkins, who recently called Giuliani a "horse's ass".

Giuliani drew wide opprobrium a year ago when he turfed Yasser Arafat out of a Lincoln Center concert given for delegates at the UN's 50th anniversary. But this being New York, where rudeness is worn with pride, voters may appreciate the mayor for his lust for confrontation. "Nobody voted for him for his personality," says Moss, "but his style of governing is what most New Yorkers feel comfortable with".

Nothing better symbolises the pugilism of Giuliani than his crusade against organised crime. He began it after his appointment as a federal district attorney in New York in the early 1980s.

"The Mafia will be crushed," he famously declared when three leading members of New York's mob families came to trial in 1986. The pursuit of the dons, their *capi* and *consiglieri* has borne fruit, most notably with the 1990 conviction of John Gotti, head of the Gambino family, for setting up the execution of a gangland rival in front of a Manhattan steak house.

In June this year Giuliani got the credit when mass charges were filed against 19 members of the Genovese clan. These ranged from murder and bank robbery through to large-scale theft of equipment and plot to from construction sites. Charges, involving sums up to \$20m, included the theft of cash donations from a religious shrine at San Gennaro during the Little Italy Festival.

As mayor, however, Giuliani

concluded that imprisoning the ringleaders was not enough and opened a second front: rooting out the Mafia from where it thrives, most notably from the city's huge wholesale markets and the \$1.5bn-a-year waste collection business. Giuliani may be of Italian heritage, but his commitment to crippling the *Cosa Nostra* is unwavering.

It is no wonder that when this mayor travels his fief it is always in an armoured Chevrolet Suburban with bodyguards at his side. Hollywood may have given us a picture of the Mafia in New York that seems overblown and romanticised, but, as Giuliani's battles have demonstrated, even in the 1990s celluloid fiction and reality can often overlap.

When the Giuliani administration took on a 17-strong cabal of Italian hauliers that controlled all of Manhattan's rubbish routes and allowed a non-New York company, Browning-Ferris Industries of Texas, to break into the market with cartel-breaking prices, one of its top executives had a taste of Mafia intimidation first hand. He awoke one morning in his Westchester home to find a severed dog's head on his front lawn.

Today, hauliers proven to have had organised crime connections have been banned from the city and everyone in the industry must undergo background checks and fingerprinting before they are licensed. Manhattan businesses have begun to see their rubbish collection bills fall to a fraction of what they used to be.

Giuliani's boldest move

came early last year, however, when he declared that he was taking full control of the Fulton Fish Market, the nation's largest seafood wholesaler, on the grounds that it was a hotbed of Mafia extortion, intimidation, shake-downs and loan-sharking.

"New Yorkers have had to pay a 20-25 per cent premium for the pleasure of having organised crime here," the mayor alleged. The initiative triggered anguished protest from operators who complained of intimidation not by the Mafia but the mayor and of a violation by the city of their constitutional rights. Lo and behold, the next day, when checks into all of the market's residents were about to begin, a mysterious fire swept through one of the main warehouses. Few doubted that the building had been set alight by arson.

Encouraged by a city report released just last week showing a 2 per cent drop in fish prices at the market this year, compared with a 13 per cent increase in prices nationwide, the mayor is preparing to take his assault a step further. The same anti-Mafia measures are to be applied to New York's other four main wholesale food markets. In addition, a new regulation now pending before the City Council aims to break the link between workers' unions and the mob. All union officials will have to go through fingerprinting and background checks and any found with Mafia ties will be banned from the markets for life. Terry, the mob turncoat played by Marlon Brando in *On the Waterfront*, would be cheering.

The Mafia campaign generates the headlines, but it is Giuliani's success in tackling all varieties of crime that will most endear him to voters. The elimination of the Squeegee pirates, who would threaten drivers with damp cloths and washing liquid until appeased with money, has become the metaphor for the mayor's now-feted "quality-of-life" approach to policing.

As well as acting to merge the city's three police forces into one, Giuliani determined that even the most commonplace of infractions, from spitting to defacement with graffiti, had to be prosecuted to the full in the belief that the return of order at the lowest level would percolate through to all levels of crime. While "go ahead on red" may still apply at most New York traffic lights, the crime statistics – and the overwhelming interest shown by police forces from around America and from abroad – suggest there is something to the theory.

Giuliani has, meanwhile, also harnessed his capacity for ruthlessness to make a start at taming New York's age-old malaise of a grossly overblown city workforce, further paralysed by intransigent unions. Propelled by an overwhelming need to tackle the city's monster deficit, he has trimmed the city bureaucracy by more than 15,000 and announced plans to close three of its 11 municipal hospitals. He claims also to have pruned New York's giant welfare rolls – a legacy of the city's decades of liberal Democratic leadership – by as many as 180,000 people, of which some 37,000 have been found new jobs.

Such actions do not come without risk and, as they begin to bite, a Democratic challenge to Giuliani next year might not look so hopeless. A sure Achilles' heel is education. While the mayor has waged repeated and bitter wars with the city's Board of Education over management issues, he is perceived to have done little to alleviate the chronic overcrowding and underfunding of the public schools.

The poor of New York, meanwhile, have not fared well under the mayor, as witnessed by an explosion in the numbers of charity soup kitchens. There are now 907 kitchens in the city, compared with 750 when Giuliani took office. Physically, meanwhile, the city is as decrepit as it ever was with its roads, bridges and airports a crumbling mess.

As New York stifles its yawns over this year's presidential race and braces itself for the real election season – the choice of the next occupant of the mayoral Grace Mansion – Mr Giuliani is confronted with this dilemma: should he try to soften his image or should he carry on playing the bully in the belief that in this town that is what gets you respect? But then he, of course, may see himself only as Mr Reasonable. "I think I'm very congenial," he recently told a reporter. "I don't fight with anyone who doesn't fight with me".

Urgent: children's exodus from Zaire

Can you help?

In the next week, 400,000 people are expected to return to Rwanda from Zaire. Among them are countless children who are hungry, vulnerable and terrified.

Aid agency Children's Aid Direct are waiting to receive hundreds of children who have been separated from their parents. Executive Director David Grubb says: "This is just the beginning. As children continue to arrive, our priority is to keep them alive and then re-unite them with their families."

For two years, Children's Aid Direct have been helping families in Rwanda to return to normal community life. They need your support today to help keep these refugees alive and provide them with the seeds, tools and health care they need to rebuild their lives.



Vulnerable children need your help today

Please join Children's Aid Direct in giving these children the future they deserve. £30 could feed 150 children for a day. £30 could provide a family with essential seeds and tools. Can you help today?

Yes, I want to help children rebuild their lives

Here is my gift of: £30 £50 £80 £250 £ (other)

*A gift of £250 or more is worth almost an extra third to us under Gift Aid

Please make your cheque payable to Children's Aid Direct

OR Please debit £ from my ☐ Visa ☐ Access ☐ Switch card

CARD NUMBER

Last three digits of Switch card no.

EXPIRY DATE / /

SIGNATURE

NAME (CAPS) MR/MRS/MIS

ADDRESS

POSTCODE

TELEPHONE

OR please phone our donation line

0990 600 610

Please send to: Children's Aid Direct, Dept No. 482

FREEPOST, Reading RG1 1BR, Registered Charity No. 803236.

Children's Aid Direct

Formerly known as

1994 THE CHILDREN (Europe)

A season that celebrates the falling feeling



Miles Kingston

Autumn! Season of mixed and yellow fruit gums, when the leaves fall from the trees like empty toffee papers, and the sun hangs all day in the sky like a great boiled sweet!

When large clouds suddenly jack-knife over the motorway and shed their load of fresh rainwater on north- and south-bound carriageways alike!

When the new playing strip for autumn is finally

unveiled in every hedgerow, and yes, the colours of this year's autumn playing strip are chocolate brown, lemon yellow and tangerine orange, just as they were last year, and the year before, so how is your season going, Trevor? Well, things are looking good for us, Brian, we got a good result against Woodland Wanderers last Saturday, and of course these are early days yet, Brian, but I think by the end of the season we'll be there or thereabouts, because this is only...

Autumn! Season of rifts and mellow divisiveness, when marriages gently drift apart and the cry of regret is heard in the woods, and Lady Di's wicked stepmother does it again...

Raine, Raine, go away, Get remarried another day! When Fergie goes on television in a very expensive suit of sackcloth and ashes to say she is very sorry, Ruby, and she doesn't want to be Princess of England any more, Ruby, just Naave of Hearts, but it wasn't really her fault, Ruby, and the royal debts pile up behind

her like leaves in the ditch, and the TV schedules are choked with repeats, and look, isn't that the last *Absolutely Fabulous* winging its way abroad? Yes, because it's emigrating to America now, where the Americans are going to remake it for an American audience, which means that there will be no smoking and no drinking and no swearing and no adultery and no laughs, but here in Britain there is still plenty of smoking because it's...

Autumn! Season of hissing bonfires, where the old boughs are barbecued and the tough gycamore leaves are smoked over an oak fire until they come out utterly delicious, my dear, we have a little man who comes in once a week and does the smoking for us, look, we've got smoked ground elder and smoked almond branches and candied rose hips glistening sugary in the morning frost, because it's...

Autumn! Season of short-term weather forecasts and

long-term losses, when there might be ground frost in some areas and the mist might linger for a long time in others, or in the words of the old country rhyme...

Michael Fish, Michael Fish, Right or wrong, he's a bit of a dish!

And here's another amazing fact – did you know that on 5 November every year more damage is done to British back gardens than Guy Fawkes and his merry men ever did to the Houses of Parliament on the original Bonfire Night? Yes, police are at this very moment looking for 10,000 dads to help them with their inquiries...

Excuse me sir, did you or did you not on November 5th hand a Roman candle to your child with the words "Here, son, you can light this one", thus causing extensive damage with a street value of millions of pounds?

Yes, I did, officer, but look at it this way: I was only trying to topple the Government and get the Catholics a decent deal – Fair enough, sir. Try to

make sure it doesn't happen again, because you have to be careful when it's...

Autumn! A Grand Clearance Sale of recent history! And it's time for every tree in the land to turn out its unwanted pages, shed its leaves, strew its meadows underfoot for our feet to shred, time for nature to get rid of old election promises and make some new ones... "More Than 50 per cent Of Trees Do Not Know Why Their Leaves Fall Off," says shock report by government inspectors, which goes on to reveal that standards in our woodlands have slipped by more than half since the government introduced its new seasonal curriculum, but don't worry, because you can now get through adult life with less than perfect understanding, or, in the words of the old country rhyme...

Jan McCaskill talks through his fez. I can't understand a word he says... Soon in a hedgerow somewhere near you! Autumn!

European Monetary Union: Britain continues its struggle to be both in and out

Why Labour changed its mind on a referendum

The real mystery about Labour's pledge to hold a referendum if it decides to enter EMU is not that it happened, but that it didn't happen earlier.

Since March it has been clear that in the coming election campaign John Major would have been able to say, day after day, that he had promised not to enter a single currency without a referendum - and Labour hadn't.

Tony Blair has long believed that it would be impossible to join EMU at the outset without a referendum. Robin Cook, his powerful Shadow Foreign Secretary, certainly wanted one - though he might ideally have preferred a pledge to rule EMU entry out in the first wave. Indeed there was a strong case for trumping Major by jumping in early with a referendum pledge - causing mayhem among the Tories and making the Prime Minister look weak when he inevitably followed suit.

To understand why this didn't happen earlier - and why the decision, when it came, wasn't preceded by a stand-up row in the shadow Cabinet - you need to understand that there are two Gordon Browns. Not two personalities, but two jobs: the determinedly pro-European Shadow Chancellor, and the political strategist. It's no secret that Brown, like Kenneth Clarke, disliked the idea

of a referendum on what he regarded essentially as economic policy. The Chancellor in Brown was determined to keep alive as long as possible the option that Labour would make its manifesto more pro-EMU and so avoid the need for a referendum. He wanted to avoid the kind of pledge which made it look like a concession that EMU was a matter of constitutional principle. And he was anxious not to close off any of his options after the election. But by September, the electoral strategist in Brown had bowed to logic as well as his leader. With the public mood increasingly anti-EMU, any alternative to a referendum pledge was a non-runner.

The details are instructive. The final decision was arrived at with such secrecy that Tony Blair didn't do more than hint at it obliquely when he met President Chirac in Paris on Friday. Brown's trusted adviser Ed Balls was dispatched on 4 November for a final round of talks in Brussels with Giovanni Rivasio, head of the DG2 economic secretariat, other top Eurocrats and some seriously high-ranking British officials, to test to destruction the reports and rumours already surfacing about difficulties over the EMU timetable. Balls established that the Franco-German argument over disciplining countries, which fell below the exacting Maastricht criteria after joining, was indeed deadlocked and would not be solved at the Dublin summit next month. He also found that even the most ardent optimists about EMU were now admitting that there was at least a 25 per cent chance that the monetary union timetable would slip.

This gave Brown a convincing explanation for announcing the policy now. With no certainty about EMU timing, it was now at once more difficult to argue for a clear election pledge in favour of a single currency, and easier to explain why the party would instead opt firmly for a referendum. In convincing himself Brown found it easier to convince others. And he was determined to make the announcement himself, first because EMU was his responsibility,

secondly because if he didn't it might appear that he was sulking in his tent, and thirdly because he was determined to accompany it with a clear pro-European message that first-wave EMU was not dead. In the 48 hours after Balls returned from Brussels on 5 November, Brown and Blair agreed to go ahead, and Blair then let Robin Cook and John Prescott in on the secret. The original plan for Brown to go public at the CBI conference was abandoned because of the impending headlines about the European decision on working time. Instead they opted for an *Independent on Sunday* interview a week later, which would give Brown unlimited access to TV over the weekend.

However, this didn't dispel the notion that EMU had become less likely as a result of the announcement. This is hardly surprising, given that at least one prospect it holds out goes like this: some time in 1998 a Labour government, already deeply unpopular for delivering a deflationary budget to force Britain's deficit down to Maastricht levels, struggles to win a referendum against an unrelentingly hostile press. And, for good measure, against a uniformly anti-EMU Shadow Cabinet, led by a vibrant young leader such as Michael Portillo. Naturally a Labour Cabinet would not be demented enough to immolate itself like this; therefore, argue the most disappointed Europeans, the chances of it even thinking of British EMU entry in the first wave have been reduced to near zero.

So why isn't Brown more downcast? First, this damning scenario ignores one or two key variables. One is the economy itself, and just how austere a couple of budgets Brown will have to introduce if the economy is growing and the revenues are flowing. If the signs are good, the government may not need to get so unpopular so quickly. Another is the internal dynamic of a Cabinet decision on EMU that is necessarily followed by a referendum. For, in some circumstances, a referendum pledge actually helps the pro-EMU case - and not just because it helps to still the criticism that EMU entry is a constitutional outrage. It's much riskier to stage a damaging resignation from the Cabinet in protest at a decision to join EMU if you fear that a "yes" vote in a referendum will all but finish you in politics.

And the third, and perhaps most important, is the vexed question of how the business world jumps. Blair and Brown both believe that much of the business community are currently muted on the issue of the single currency because they do not want to get drawn into the electoral argument about EMU, either between Labour and the Tories, or the much fiercer one within the Tory party itself.

Correspondingly, and once the election is over, those industrialists in favour of EMU, so this argument goes, will become much more vociferous, whoever wins. And in driving the argument they may in turn start to dispel some of the fears about the economic disadvantages of monetary union. And the now firmly pro-EMU TUC will be standing by to rebut any charges on the left that monetary union is merely a rich man's conspiracy. Brown's hopes of entering in the first wave are anything but dead. And it is a sign of the strange times that British capitalism is now more likely to determine Labour's stance on monetary union than that of the Conservatives.

Our man in Brussels faces two ways

by Sarah Helm

On Tuesday morning a man in a dark overcoat will leave Surrey commuter land, take a train to Heathrow and fly to Brussels. He will then drive to the Albert Borschette building, in the European Union's institutional heartland. Nobody will notice his arrival. He will blend easily into the Brussels bureaucratic bustle. And after a day-long meeting he will head home, talking to nobody on his way.

In his briefcase are plans for Europe's biggest revolution since the foundation of the EC. He is chairman of the European Monetary Committee, which is building the structural core of Economic and Monetary Union. Our visitor to Brussels is probably the most powerful civil servant in Europe today. He is Sir Nigel Wicks, a senior British Treasury official, who was one of Baroness Thatcher's favourite mandarins.

When the Maastricht Treaty was signed in 1992, the European Monetary Committee was given the task of making economic and political preparations for EMU. One treasury official and one central bank official from each member state sits on the committee.

As British representative, Sir Nigel, director of international finance at the Treasury, made an excellent impression - so much so that he was elected chairman in 1993. He has since helped the committee make such good progress in building EMU that his colleagues have recently elected him as chairman for a second term.

The paradox of Sir Nigel's position is self-evident. While British Euro-sceptics rail against the dictat of "unelected Eurocrats", here is an unelected British civil servant playing the key role in preparing what, to them, will be the most federalist "dictats" of all.

It was Sir Nigel who in 1992, negotiated Britain's EMU opt-out at Maastricht, which makes it even more curious that today he spends so much time working for those who want to "opt in." At Tuesday's monetary committee meeting Sir Nigel will push for progress in a German-led plan for a so-called "stability pact", a key building-block for EMU, which will set out rules to be obeyed by countries who join. Critics have complained that if Britain signs the pact it will amount to the biggest transfer of sovereign powers in recent years.

For Kenneth Clarke, the Chancellor, having a key Treasury official as chairman of the committee that is building EMU is clearly invaluable. Britain, the chancellor would argue, must play a central role in preparing EMU so that the system works well, should a future government choose to join. The Chancellor has clearly begun to favour British entry in the first wave. However, given



Sir Nigel Wicks has one ear tuned to Britain, but he also heads the committee planning Europe's single currency

the risk of Tory splits, having an agent of influence as chairman of the monetary committee helps Mr Clarke to pursue his strategy in a more covert way.

A key monetary committee compromise in June, over the issue of bringing Britain back inside the exchange rate mechanism, provides evidence that Sir Nigel may be helping the Chancellor to keep open the option of joining at the start. Inside the committee, other member states, led by Germany and France, were insisting that the Maastricht Treaty stipulates that Britain must be in the ERM for two years before the launch of EMU if it is to qualify to join on 1 January, 1999. The Chancellor disputed this reading of the treaty, knowing that it would corner him into rejoining the ERM soon. John Major, however, has said Britain will not rejoin the ERM in this parliament.

Mr Clarke, therefore, faced the possibility that British membership would be impossible at the launch. It was Sir Nigel who brought forward a compromise formula, under which other countries agreed that no decision need be made on the issue until Autumn 1997.

Sir Nigel is adept at switching hats, and never is that more tricky than on the occasion of European finance ministers' meetings in Brussels. Mr Clarke always travels to these with Sir Nigel - in his role as senior civil servant - and the two enjoy a plate of *moules and frites* together in the Brussels Grand Palace. But wearing his chairman's hat at the finance meetings, Sir Nigel is not battling for British interests so much as for the interests of the majority of member states.

There are those who believe that this loyal British official is enjoying his Brussels task so much that he has "gone native." Certainly, other Europeans are fond of him in his private life. "He is unanimously appreciated," said a French official. The Germans are particularly supportive of Sir Nigel. "This is the most important committee of civil servants in Europe. Nigel is an excellent chairman. He is very fair. Very good at pulling things together," said a senior aide to Jürgen Stark, the German finance ministry hawk on the committee. "My feeling is he is more supportive of EMU than the average Briton. He has huge influence. The main thing

is, he takes a positive view... [so] that the process moves forward in a positive way."

So what kind of man is it that can play this extraordinary dual role? Is he just the archetypal civil servant, able to serve any master? Is he not also aware that he is scoring winning goals for the other side?

Sir Nigel Wicks is a very private man. Some civil servants say there is not much to know, except that he works "unusually hard." "Decent, straightforward... Utterly grey," is another comment.

Aged 56, married with three sons, he was educated at Beckenham and Penge grammar school and Cambridge University. He worked at BP for 10 years before joining the Civil Service in 1968. He lives near

Guildford, and is said to like football, although nobody can recall whether he supports a particular team.

Sir Nigel has twice been seconded to top jobs at Number Ten, first when Labour was in office and Jim Callaghan was prime minister, and then, in 1985, as principal private secretary to Mrs Thatcher. Again, nobody knows which "team" he preferred. Both Callaghan and Thatcher valued his loyalty.

Sir Nigel appears to have displayed his strongest anti-European colours during his time with Thatcher. "I don't recall him objecting in any way to the Bruges speech," said another of Thatcher's key aides, referring to her famous attack in 1988 on Euro federalism. "Like most of us he was sceptical about the ambitions of other Europeans."

Today, many would say he is ensuring those European ambitions are realised on a scale Thatcher would never have dreamed of.

To experienced British diplomats the "Europeanising" of Sir Nigel does not come as a particular surprise, nor does it mean he has become personally "pro-European." Rather, he has become caught up in the European process.

To certain kinds of brains - the kind that like good-class chess or poker - the business of European decision making, of trade-offs and compromise, can be challenging. The real seduction of Sir Nigel undoubtedly began when he started chairing the monetary committee. "He was utilised by it. He enjoyed the sense of power and the dance," says a former colleague. Stronger wills than Sir Nigel's have been drawn in by "the dance." After all, Thatcher herself was "seduced" into signing the Single Act, and giving in to more majority voting. "It was the signing of the single act which got us here. It was she who dunnit," said one British diplomat. Until now, Sir Nigel has been remarkably adept at finessing his dual role. In the second half of next year, as a Treasury official, Sir Nigel will advise whichever government wins the general election on whether to join EMU or not. As chairman of the monetary committee he will, at the same time, have the task of directing the EU's joint decision on which countries qualify to enter EMU. The man who negotiated the "opt out", will, therefore, have a major influence over whether Britain can ultimately "opt in".

Imran Khan's baby boycott

Today, men rarely miss their children's birth. Sara Maitland ponders paternally correct behaviour

Imran Khan didn't. And the fact that he didn't made front-page news. Didn't what?

Didn't attend the birth of his son. Brave man. He's supposed to. It's the new orthodoxy. Like any orthodoxy it is beyond rational discussion - it just is. The claims have been extravagant - "shorter and easier labours, healthier mothers and babies, improvements in the marital relationship and subsequent parenting". How odd, then, that while paternal attendance at the birth goes on increasing, the breakdown in marital relationships of those with small children also continues to be increasing. (It might also be mentioned that sociologists point out that the research on which claims about the supposed benefits of paternal attendance have been based depend on "shaky methodology".)

I'm not against it, myself, but I am curious as to who made this the Golden Rule.

Maybe it was mothers: they certainly like it. For one thing, labour is often intensely boring: they don't tell you this in advance, but someone, anyone to that is a good thing. Also partners tend to stay put. While medical personnel may have to rush off to deal with a more exciting case, you can keep your partner glued to your side. He can hardly get excited about someone else's breech twins. When you are in labour, your labour is, quite reasonably,

the most interesting thing in the world. Your partner, once you have got him there, could hardly have the nerve to pretend otherwise. (Though actually mine did want to go and watch the TV news in the middle of my first labour - Nixon was about to resign; it was even more exciting than triplets - but that was all right because I also wanted to. So did the midwife. We all adjourned to the empty father's room, and I filled in the deleted expletives.) Anyway, the point is that having someone around is a real help: it probably doesn't have to be the father, but he is emotionally more bribeable than anyone else.

Additionally most women have heard horror stories, both about labour itself (you will be insane with pain, you will agree to anything) and about the weird interventions that obstetric staff are supposed to be eagerly poised to commit (you will be forcibly drugged, you will be left alone, strange experimental procedures will be carried out on you, your baby will be stolen and swapped for an alien). Some of these fears, though not all, are perfectly reasonable. You may well feel that you will need an advocate - lawyers are expensive, and usually not willing to co-operate unless they are pretty sure something useable will occur.



No show: Imran Khan broke the Golden Rule

There is another reason why mothers like it. At the risk of breaking female solidarity, I can confess that some of it is revenge. Punishment. A

female plot, actually. Men hate pain: they dodge it like the plague and regress into infancy if they have a teary-wee-wee cold. But once in labour we've got them bang-to-rights. "Why should he get off scot-free? That's what I say," said one unusually frank woman in an interview about why she wanted her husband with her (quotations in this article are from *Fathers in the Politics of Maternity Care*, ed Garcia, Kilpatrick and Richards, Clarendon, 1990).

Then there is the optimistic and exciting possibility that it will be great, and the mother genuinely doesn't want her beloved to miss such a treat. She wants to share and to show off.

Finally, she has been there promised that he's more likely to change nappies later if he's there. The research may be methodologically shaky, but anything is worth a go.

Midwives like it too. One reason is that women behave better. "Labour wards used to be full of screaming women. They made a terrible noise. But now that the husbands are there that's calmed them down. They're a lot quieter now..." Hummm: quieter because the mother, about-to-be, lapped in marital bonding

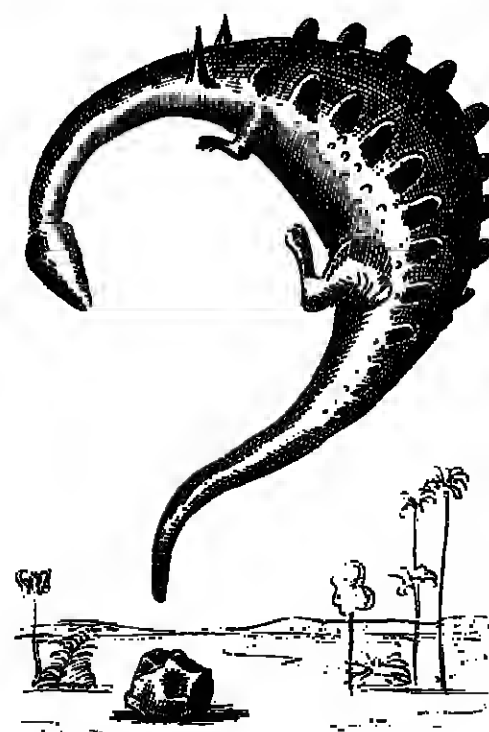
and deep spiritual communion, feels less pain? Quieter because she feels she can't disappoint the enthusiastic spouse, coaxed into supporting her pausing? Quieter because she can get regular attention without having to scream for it? Quieter because demands mediated through rational male-discourse feel "quieter" to hard-pressed staff than in-between contraction appeals from exhausted, emotionally fraught and suffering women? Who knows?

Men who have done it have to like it. They put peer pressure on the neophytes. Tough men brag about how they bore the upset of watching a Caesarean; new men advertise their sensitivity. How many other events allow a man to be tough and tender?

With all these pressures, it is not surprising that the trend, once begun, took hold so quickly.

My husband did it, too. On the first occasion, a difficult labour was made delightful by his support and wit. The second, a 15-minute scramble at home gave him no choice - it was him or no one. Both occasions gave me great joy, and I would not want to have done either of them without him. But for centuries happy, healthy babies have been born without their father's presence, and I sort of admire the Khans for resisting all these pressures and suiting themselves. After all, international sportsmen act as role models for young men.

What's the connection between Flint and Stone?



© 1996 Northwest Airlines Inc.

NORTHWEST KLM

PSBR surprise boosts scope for tax cuts

Diane Coyle
Economics Editor

An unexpectedly big repayment of government debt last month has made it easier for the Chancellor of the Exchequer to justify the tax cuts firmly expected in next Tuesday's Budget.

A rebound in receipts from corporation tax and value added tax, which puzzled experts by their slow growth all last year, meant the Government's finances were in surplus during the month by twice as much as the City expected.

The £4.4bn repayment of debt – the biggest October surplus on record – means the

public sector borrowing requirement (PSBR) for the current financial year stands a good chance of hitting the £26.9bn Treasury forecast. However, it will not reach the £22.4bn predicted in last year's Budget.

Even so, economists said yesterday's favourable figure made Kenneth Clarke's task next week much easier. "He can have his cake and eat it. There will be tax cuts and a lower forecast for next year's PSBR in the Budget," said Mike Dicks, UK economist at the investment bank Lehman Brothers.

City analysts expect a minimum Budget giveaway worth around £1bn-£2bn and think

up to £3bn – the same as last year – would be acceptable to the financial markets. Anything more generous would be likely to compel the Chancellor to increase interest rates more sharply than he would like ahead of the election.

"Expect good PSBR numbers in the Budget next Tuesday, not large tax cuts," predicted analyst Simon Briscoe at Nikko Europe.

But most economists warned yesterday that signs of improvement in the public finances as the economy picks up do not really excuse any reductions in taxes.

"With a still-high level of borrowing at what might prove to be the peak of the economic

cycle, surprises should be hanked and not spent," said Kevin Darlington at brokers Hoare Govett.

The pick-up in growth is one explanation for a surge of 24 per cent in corporation tax receipts compared with a year ago, 20 per cent in VAT revenues and 31 per cent in excise duties. Total central government revenues were £28bn in October, 15.6 per cent up year on year and well ahead of the growth predicted in the Treasury's cautious summer forecast.

However, the government's receipts were flattered by several special factors. The payments on account system for VAT brought some revenues

forward from November and December.

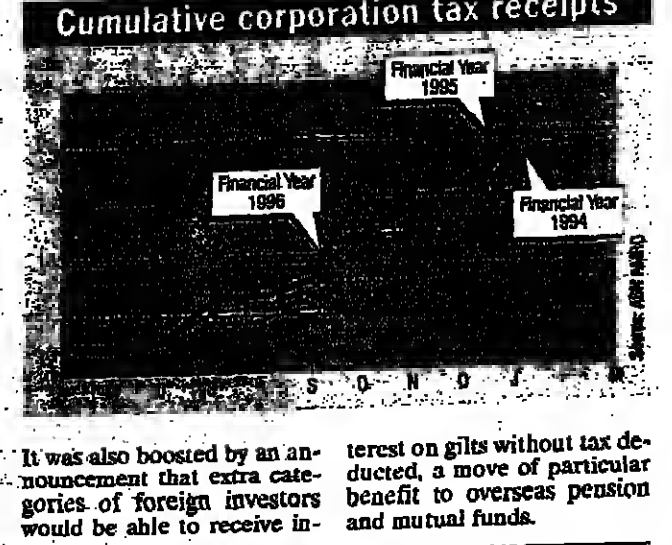
Mainstream corporation tax payments in October are mainly paid by financial companies, and are expected to exceed the January payment from less profitable industrial and commercial companies. And advance corporation tax receipts were erratically high last month due to unusually high dividend payments during the summer.

Privatisation receipts of £222m in October compared with a mere £50m last year. The current financial year will bring a further £1.25bn from the sale of Ministry of Defence homes and the Housing Corporation's loan book.

These, which are bizarrely classified as negative public spending, will help bring the government's expenditure in close to its £260.2bn control total this financial year. Yesterday's figures showed that departmental spending is growing at an annual rate of 4 per cent, well above the 1.3 per cent Treasury target.

The cumulative borrowing total for the financial year so far was £11.4bn, down from £18.7bn a year earlier. October was the first month that the underlying running total, excluding privatisations, has turned out significantly below last year's level.

The good news took the gilt market higher yesterday.



MasterCard buys stake in Mondex

Jill Treanor
Banking Correspondent

MasterCard International is buying a 51 per cent stake in Mondex, the "electronic purse" designed by NatWest, in a \$150m (£90m) deal which is expected to bring the cashless society one step closer to reality.

"The days when Mondex will be deployed as a mass system are coming closer," said Michael Keegan, chief executive officer of Mondex. "It's a good day for a major British invention."

He predicted that Hong Kong, where a pilot scheme started three weeks ago has already signed up 20,000 customers, will be the first part of the world where electronic money truly replaces cash.

Mondex's first pilot scheme began in Swindon, Wiltshire, in July 1995. NatWest and Midland own the franchise for Mondex in the UK and 25 per cent of their customer base – 13,000 people – are signed up to the pilot scheme in the town. NatWest and Midland are two of a total of 17 banks that own the remaining 49 per cent shareholding in Mondex.

Customers are given a "smart" card which carries money electronically which they download from their bank accounts. Unlike debit cards, customers do not have to sign receipts when the card is used. It only takes a few seconds for the retailer to take money off the customer's card.

Pilot schemes have been set up at the universities of Exeter and York and David Mills, general manager of retail banking at Midland and chairman of Mondex, expects more "closed" projects to be set up across Britain in the next few months.

MasterCard is paying \$150m for the 51 per cent stake in Mondex but its value will increase as royalties, will also be forthcoming from the use of the pioneering technology designed and owned by Mondex.

Mondex has designed the "chip technology" which is widely expected to replace the magnetic strips currently used on the debit and credit cards in Britain and much of the rest of the world.

MasterCard is now committed to using that technology in the 370 million credit and debit cards in circulation world-wide and as part of the deal has agreed not to invest in any other "electronic purse" initiatives.

All MasterCard's 23,000 member institutions will be entitled to apply for a license to use the Mondex technology and it is that potential distribution network which will bring the boost to Mondex.

Over the last several years MasterCard realised chip technology was coming and will ultimately dominate the future of payments," said Henry Mundt, executive vice-president of MasterCard.

Ultimately, this technology will allow card issuers to lump together credit, debit and cash, all on one card. The card will also be able to incorporate loyalty programs, such as the one operated by Tesco, and data transfer.

Mr Keegan expects Mondex's technology to be on MasterCard issued in the UK in early 1998.

But, emerging economies may receive the technology first. "The emerging economies may leap over existing economies," Mr Mundt said.

Comment, page 23



Good times, bad times: As the Queen's press secretary, Charles Anson has had to deal with some of the severest crises in the Monarchy's history

The Queen's PR man crowned Burger King

Chris Godsmark
Business Correspondent

Charles Anson, The Queen's press secretary, is leaving Buckingham Palace after six-and-a-half years to represent the virtues of Burger King, writes John Wilcock.

He becomes corporate relations director for Grand Metropolitan in February. The British company owns a host of international consumer brands, including Burger King, Haagen-Dazs and Smirnoff.

The 52-year-old has had to deal with some of the severest crises in the Monarchy's history, but he denies that he is going to Grand Met for a quiet life. "I think I'll be just as busy at Grand Met," he said.

Prior to that, Mr Anson was a member of the British Diplomatic Service from 1966 to 1987. His latest move will take him to Grand Met's head office in Henrietta Place in London's West End, where he will report to David Tagg, group services director.

He follows previous Royal spokesmen into the private sector. Michael Shea went to Hanson Trust, and now has a range

of business interests in Edinburgh, while Ronald Allison went to Thames TV in the 1970s.

Mr Anson will be succeeded at the Palace by his Australian deputy, Geoffrey Crawford. Mr Anson's years at the Queen's spokesman have been busy. They included the reduction in the civil list, the opening of Buckingham Palace to the public and numerous Royal visits overseas.

"My present job has been extremely demanding in many ways, and often very positive ways. I will be sorry to leave."

Comparing the Monarchy and Grand Met, he said: "While the two institutions are completely different, the job with The Queen is a very international one, and Grand Met is a British company with a very international portfolio of brands."

John McGrath, chief executive at Grand Met, said: "Charles Anson will bring... very considerable experience and expertise in international government affairs and communications. We are delighted that someone of his calibre has elected to join us."

Meanwhile a leading City figure, Lord Camoys, is to succeed the Earl of Airlie as Lord Chamberlain and Head of the Royal Household. Lord Camoys, 56, played a leading part in creating BZW, the investment bank subsidiary of Barclays Bank. He is still a non-executive deputy chairman of BZW and deputy chairman of Sotheby's.

Mattel drives off with Matchbox manufacturer

David Osborne
New York

Barbie is to get a new set of wheels, following a buy-out deal announced yesterday between Mattel, the maker of the ubiquitous fashion doll, and its much smaller counterpart in the toy industry, Tyco, whose products include Matchbox, the brand of miniature cars that has been a top-selling favourite for decades.

Mattel, which earlier this year failed to acquire its arch-rival in the US, Hasbro, confirmed that it was snatching Tyco

in a stock transaction valued at \$775m (£453m). Already approved by the boards of both companies, the deal gives shareholders an impressive 78 per cent premium on stock held in New Jersey-based Tyco.

"The outstanding world-wide potential for Tyco's well-known brands will be fully realised through this merger with Mattel," said John Amerman, chairman of Mattel.

Mattel, based in El Segundo, California, was thwarted earlier this year after making an unsolicited \$5.2bn bid for Hasbro. Hasbro fought the approach

furiously, eventually forcing Mattel to withdraw from the fight last February. Analysts had long expected it, however, to divert its attention elsewhere in its efforts to consolidate its position in the industry.

Among Mattel's best-known products, aside from Barbie, are Cabbage Patch Kids dolls, Fisher-Price preschool toys, Hot Wheels and several Disney-franchised products.

In early trading in New York yesterday, shares in Tyco had risen \$4.5 to \$11.5. Shares in Mattel were down slightly at \$29.75.

Ofcom chief hints at BT controls

Chris Godsmark
Business Correspondent

British Telecom was faced last night with the likelihood of new regulatory hurdles before it can complete its £13bn takeover of MCI, the US long-distance carrier.

Don Cruickshank, the telecommunications regulator, gave his clearest signal yet that he will seek new controls over BT's UK operations to safeguard investment and service standards for British consumers.

Speaking before the Commons Public Accounts Select Committee, Mr Cruickshank gave a glowing view of BT's transformation from a state-

owned monopoly to a global contender capable of mounting the UK's biggest takeover. However, he warned that he was concerned that after the deal went through, BT would provide enough cash to give UK customers a fair deal.

"There are certain issues I intend to be satisfied on before I give my blessing," he said of the ongoing investigations by his office. Ofcom, into the deal. "My test of that is that the company... will be able to continue to invest so that the UK consumer has a world-class service."

Mr Cruickshank said another concern he had raised was his ability to continue to get information about BT's activities

once it had converted itself into an Anglo-US company with offices on both sides of the Atlantic. "I will be discussing this with BT and possibly proposing licence amendments to secure that," he said.

Mr Cruickshank said his main concern was for the estimated 16.5 million households with average or below-average phone bills who were dependent on BT for their phone service.

His comments add to the growing regulatory pressure on BT, which has already admitted it is likely to take a year to get the tie-up with MCI approved.

The biggest hurdle the company faces is convincing the US watchdog, the Federal Com-

munications Commission (FCC), that the British phone market is now sufficiently liberalised. The FCC has already had a complaint from AT&T, the largest phone company in the US, about BT's dominance of the local residential market.

Mr Cruickshank did not suggest he was opposed in principle to BT making international acquisitions. He told MPs: "It's a great credit to BT and the UK's regulatory regime that we have a company which is managerially and financially able to enter into such a transaction."

However, he said: "The number of regulatory authorities who have to look at this transaction is very large indeed."

STOCK MARKETS

FTSE 100

Dow Jones

Nikkei

*Dow Jones Index is graph of 2000 Index

FTSE 100 Index Index Index

Index	Close	Day's change	Change(%)	1996 High	1996 Low	Yield(%)
FTSE 100	3952.10	+3.90	+0.1	4073.10	3632.30	3.99
FTSE 250	1400.20	-0.70	-0.2	1458.60	1015.30	3.55
FTSE 350	1973.90	+0.60	+0.0	2022.10	1816.90	3.89
FTSE SmallCap	2163.53	-1.84	-0.1	2244.36	1954.06	3.15
FTSE All Share	1948.57	+0.42	+0.0	1984.54	1791.95	3.84
New York	8336.48	-11.55	-0.2	8378.73	5032.94	2.06
Tokyo	20796.37	-133.38	-0.6	22666.80	19734.70	0.777
Hong Kong	13042.80	+153.43	+1.2	13042.80	10204.87	3.221
Frankfurt	2764.75	-31.05	-1.1	2795.80	2293.36	1.701

Source: FT International

INTEREST RATES									
Short sterling		UK medium bill		US long bond		Money Market Rates		Bond Yields	
Index	Close	Index	Close	Index	Close	Index	Close	Index	Close
Short sterling	0.50	UK medium bill	7.51	US long bond	7.70	Money Market Rates	7.70	Bond Yields	7.70
UK medium bill	7.51	US long bond	7.70	Money Market Rates	7.70	Bond Yields	7.70	Money Market Rates	7.70
US long bond	7.70	Money Market Rates	7.70	Bond Yields	7.70	Money Market Rates	7.70	Bond Yields	7.70

CURRENCIES									
Pound		Dollar		Euro		Yen		Other	
Index	Close	Index	Close	Index	Close	Index	Close	Index	Close
Pound	1.6865	Dollar	0.6901	Euro	0.6416	Yen	1.4078	Other	0.6416
Dollar	0.6901	Euro	0.6416	Yen	1.4078	Other	0.6416	Pound	1.6865
Euro	0.6416	Yen	1.4078	Other	0.6416	Pound	1.6865	Dollar	0.6901

Northern directors set for £100,000 profit

Michael Harrison

Two directors at Northern Electric will reap a £100,000 profit from executive share options issued just three months ago if CalEnergy's £766m bid succeeds, it emerged yesterday.

Several regional electricity companies have abandoned share option schemes in the face of shareholder unhappiness and criticisms from the Greenbury committee.

But in its defence document against the hostile US bid, Northern discloses that its chief executive, Tony Hadfield, and fi-

العمل



The Government is keen to make sure expectations of next week's giveaway remain modest. If the chaps in the City think only £2bn is on the cards, then £3bn will look both generous and affordable at the same time

Missing millions save Clarke in the nick of time

It looks like the Chancellor's luck is in again. After months and months of disappointing figures on the state of the Government's finances, the ones published yesterday just a week ahead of the Budget were not simply good, but good enough to set the borrowing requirement back on track to meet its target for the year. Last year's "missing millions" in tax revenues have reappeared in the nick of time.

In line with Mr Clarke's statements of prudence about the scope for tax cuts, the Treasury is careful to point out that some of the reasons for the surge in tax revenues in October were one-off. The Government is keen to make sure expectations of next week's giveaway remain modest. If the chaps in the City think only £2bn is on the cards, then £3bn will look both generous and affordable at the same time.

Quite a number of Conservative MPs would like bigger tax cuts so as to put more "blue water" between the Government and Opposition, and put Labour on the spot over reversing them if it wins the election. But from an economic perspective, such action would be pure folly. Mr Clarke should not be thinking about any net reduction in taxes at all, so bad is the underlying state of the Government's finances.

During his three-and-a-half years as Chancellor, the PSBR has certainly fallen very steeply, but given that this has also been a period of sustained economic recovery, not by as much as it should have done. Over the

years, the Conservatives have utterly failed to match tax cuts with sustainable reductions in spending.

The fact that the public finances are likely to improve significantly during the months before the election, thanks to the effect of the fast pace of economic growth on tax revenues, should not be allowed to obscure the long-term trend. Mr Clarke sometimes takes pride in his lack of interest in technical detail, but he is well able to tell the difference between a cyclical improvement and an underlying structural problem. Lowering taxes by any amount next week will be a cynical act which either he or his successor is going to have to reverse after the election. A cyclical fall in the Government's borrowing requirement would give any new Labour Government a short breathing space. But the unlucky Labour Chancellor would eventually have to sort out the mess he inherited from Lucky Ken.

PDFM's radical bet has not paid off

A great deal has already been written and said about PDFM's radical bet against the markets over the past 18 months. It none the less seems worth returning to the issue in the light of the most recent quarterly survey of pooled pension fund performance just published by CAPs. This could scarcely be more damning of PDFM's investment strategy.

In the year to the end of September, PDFM's performance comes out bottom of the list of 69 companies surveyed.

Perhaps more worrying still, the effect of PDFM's dramatic bet on a stock market crash has been to wipe out all the years of steady overperformance previously enjoyed by clients. On a rolling five-year view with a cut-off date of September 1995, PDFM was ranked 17th, or virtually top quartile. Factor in the latest year and PDFM plummets down the league table to 44th. On a two, three, or four-year view, relative performance is even worse. In a single year, then, PDFM, has given back all the out-performance of previous years.

For the time being PDFM, and its Swiss masters, UBS, are keeping their nerve. There is no question of a change in strategy or of heads rolling, both of them insist. And indeed things could change very rapidly, even without the stock market crash the house has bet its name on. PDFM's underperformance is only partly caused by its overweight position in cash and index-linked gilts. It is also to do with stock selection and here the news is rather more encouraging. Quite a number of stocks PDFM's value-based method of stock selection have identified.

On the whole, however, clients are going to be looking at these figures with growing concern. This is not because there is anything wrong with the PDFM house view. PDFM

makes a compelling case for why US equities are far too high, which many people would share. It is more to do with the fact that PDFM's extremely poor performance this year may be indicative of an unacceptably high degree of risk taking. That may have worked in favour of clients up until 18 months ago but now it is working badly against them.

Pension funds like to be close to or above the median in terms of performance. What the PDFM experience demonstrates is that out-performance requires a degree of risk which is likely as not to eventually go to result in underperformance. Many clients will be wondering why they don't just stick to trackers, for it is not just PDFM which is plummeting down the league tables right now. Other previous high fliers such as Mercury and Morgan Grenfell, have also fallen precipitously over the past year.

Cashless society will benefit the banks

Beware bankers promising wonderful Tomorrow's World gadgets that will change our financial lives for the better. There's usually an ulterior motive, and with the Mondex electronic purse, it is an obvious one.

Banknotes still make up 71 per cent of all financial transactions, by number. But they cost an awful lot of money to move around and count, they are insecure and they wear

out. No wonder banks have put so much effort into finding a nice, tidy electronic alternative. It's self interest, whatever the marketing chaps say about the enormous benefits for customers. The electronic purse is the favoured answer, and Mondex, a NatWest invention, appears to have the edge among competing technologies.

Mondex allows you to deduct money from your bank account over the telephone or from a teller machine and load it, in the form of electronic data rather than paper, onto a highly secure computer chip. From the chip it can be transferred through a wallet-like gadget to other people's cards, just like handing over cash to make a payment. More commonly, the electronic cash will be downloaded directly into a shop's till.

But what is in it for the bank customer, since cash is so cheap and easy to use? The answer is, not much. There are advantages for travellers, since Mondex can operate in five different currencies at any one time. But the real beneficiaries of a wholesale switch away from cash are banks and retailers.

The problem is getting sufficient critical mass - a large enough number of users to make these novel payment methods worthwhile. That is why the arrival of a worldwide credit card company as majority shareholder in Mondex is such a significant development. The advantages of a cashless society for the large number of banks that own Mastercard are so great that they'll end up bribing us to use it if they have to.

Fritz celebrates as shares in Telekom soar

Imre Karacs Bonn

Champagne corks popped, 100 young men in striped shirts surged forward, and the number everyone in Germany had been guessing at for the past six months flashed up on the screen of Frankfurt's stock exchange. At DM33.20 (£13.25) a share, Europe's biggest flotation had got off to a good start.

A wonderful day for Telekom, for the stock exchange, and for German finance, oozed Eilmar Köpper, the head of Deutsche Bank, which led the consortium preparing the state-owned telephone monopoly's partial privatisation. Theo Wägel, the finance minister, was also grinning from ear to ear as he waded into the mêlée, lapping up this success.

Nearly 2 million Germans were persuaded to have a flutter on Deutsche Telekom, which had a lot to celebrate. By registering with the telephone monopoly's information forum, they had been able to buy up to 300 shares for DM28 each, and yesterday could collect a DM1,600 profit on their investment.

But the hoped-for bonanza did not quite materialise. Too many ordinary Germans had suspended their distrust of the stock exchange and signed up for Deutsche Telekom. Shares had been five times over-subscribed, and had to be rationed. But the gains should be large enough to lay to rest the ghosts of the past, and persuade Germans that stocks were not just the playthings of irresponsible gamblers and speculators. Ever since the crash of 1929, which wiped out the middle class, shares have been seen as respectable as betting slips.

If Fritz - Sid's German equivalent - comes away happy from his first foray into the bourse, the frozen Frankfurt market, where most shares are held by institutions and never traded, might be changed into the second half of the century.

"This moment is a milestone in the development of the market," said Werner Seifert, chairman of Germany's stock exchanges.

"This is a decisive contribution to strengthening the equity culture among private investors in Germany."

Some DM100m had been spent to put them into the mood - the largest advertising campaign for the largest share issue, which netted DM20bn for the company in exchange for 26 per cent of its holding.

Even the austere Frankfurt stock exchange had had a face-lift for the day, enveloped in Telekom's trademark pink bunting. Fireworks launched the issue in New York, where the shares traded on their first day, and there will be even more fireworks when Telekom goes to the London stock exchange and its stock. Two-thirds of the shares were allocated to the German market, and the rest sold abroad.

On the first day of trading, about 30 million shares changed hands, suggesting that quite a few punters had no long-term ambitions to participate in the share-owning democracy. Many investment analysts are worried about the long-term outlook for Deutsche Telekom, and had advised shareholders to dump their stock at the first opportunity.



A fine first day: About 30 million shares changed hands at Frankfurt stock exchange

Amid all the euphoria, the Association of Small Investors even issued a warning that the share price would eventually collapse, because it takes

no account of the company's massive debt of DM100bn, its ossified work force and its inability to compete in a market that will be thrown open in

1998. After the advertising blitz, the loudest message now ringing in investors' ears is: "Get out while the going is good."

British Gas in new price row

Chris Godsmark Business Correspondent

British Gas is facing another wave of criticism from rival suppliers over allegations that the company is manipulating the gas market to alleviate its potentially huge losses from its so-called take-or-pay contracts.

Several rival firms are preparing submissions for the industry watchdog, Ofgas, which are likely to claim that the recent increase in gas prices has been partly caused by British Gas's activities in the fuel market.

Ofgas is investigating the claims and has asked industry members for their comments. The head of one gas supply firm said yesterday that his submission would insist that the rise in prices went far beyond any normal operation of the market. "It wasn't just the fact that prices went up - it was the unprecedented severity of the increase," he said. "People are bemused because the fundamentals haven't changed. In theory there should still be a big oversupply of gas."

Gas prices have risen by some 60 per cent since earlier this year. Despite a brief pause over the past few weeks, the latest spot price data suggests they are climbing again.

The price for December delivery is 15.5p a therm, compared with prices of as low as 9p earlier this year. For delivery in the new year the price has shot up to more than 18p a therm.

At least one independent supplier has had to raise the prices it charges to consumers in the trials of domestic competition under way in the South-west and due to start from February in parts of the south of England.

It has emerged that Calnrex, the joint venture between Calor and Texaco, put its prices up from the beginning of the month. It means the price cut compared with British Gas's charges has narrowed by around 5 percentage points, though the company claims its tariffs are still up to 20 per cent lower.

Neil Lambert, the firm's joint general manager, said: "The spot price of gas has gone up by 60 per cent since we announced our prices in February."

The increase in spot prices is benefiting British Gas, which is burdened by its £40bn worth of take-or-pay contracts, priced at around 20p a therm. The nearer market prices recover to this level, the lower the company's losses.

One allegation by the independents has been that British Gas has used its huge buying power in the markets through its trading arm, Accord Energy, to keep the spot price of gas artificially high. Another charge is that British Gas has restricted production from its Morecambe Bay field to change the relationship between supply and demand.

A British Gas spokesman denied the allegations.

IN BRIEF

• Eddie George, Governor of the Bank of England, yesterday parried fierce criticisms of the role of the Bank of England in the Barings affair, made by Diane Abbott and Brian Sedgemore, two Labour MPs on the Commons Treasury select committee. He told a committee hearing that the matter had been dealt with fully by the Board of Banking Supervision report on Barings. Mr George said the Bank had increased its scrutiny of financial markets at home and abroad since the collapse. Asked by Barry Leggo, Conservative, about the future of independent merchant banks in the City, Mr George said that the wave of recent bids would "not necessarily lead to a 100 per cent takeover of independent institutions".

• The Association of British Insurers said it was concerned at talk that Chancellor of the Exchequer Kenneth Clarke intends to lift insurance premium tax from 2.5 per cent to 6 per cent to raise around £1bn. Any increase could lead to policyholders abandoning their life cover, the industry body warned. ABI director general Mark Boleat described the tax as "both oppressive and regressive". He said IPT was originally introduced to compensate for the absence of VAT on insurance premiums, though Treasury figures now show charging VAT would raise less than IPT.

• LVMH Moët Hennessy Louis Vuitton, the French handbag and Champagne group, said it had a "valid, definitive contract giving it an irrevocable right" to purchase 58.75 per cent of DFS Group from its two majority shareholders, the Feeney and Parker groups, subject to certain conditions. "Each of the parties to this contract intend to comply with all of its obligations," LVMH said in response to a report on Friday that US company Kohlberg Kravis Roberts & Co was considering a rival bid for control of DFS.

• Pearson is negotiating to buy a stake in two leading South African newspapers, *Business Day* and the weekly *Financial Mail*. News of the talks with current owners Times Media follows months of speculation that Pearson was eyeing the South African publications. Industry sources said the two companies planned to hive off TML's business publications into a new, jointly-controlled company. Control of TML's parent, Johnnie's Industrial Corporation, passed to a black business group in September after it acquired a 35 per cent stake.

• Deloitte Touche Tohmatsu International, the global accounting and consulting practice, reported revenues up 9.5 per cent to a record total of \$6.5bn (£3.89bn). The UK arm - known as Deloitte & Touche - saw income up 8.5 per cent to £400.8m.

• Poor management caused more than 4,000 company insolvencies in the UK last year - as many as at the height of the recession, according to the sixth annual survey by the Society of Practitioners in Insolvency and Jardine Insolvency Insurance. In a further 10,000 cases, management controls and decisions were significant factors in corporate collapses.

• Stagecoach yesterday gave a further boost to the British bus building industry with an order worth up to £77m for next year. The group has placed a firm order for 625 new buses worth £57m, with secured options over a further 250. The chassis will be built by Volvo, Mercedes and Dennis, part of Mayflower Corporation. The vehicles will be built in the UK, except the Mercedes chassis.

Thorn results prompt shares to slide by 10%

Patrick Toohy

Shares in Thorn fell by 10 per cent yesterday in adverse reaction to the electrical retailer's first set of results since the merger with its more glamorous former partner, the music publishing giant EMI.

Analysts cut back their forecasts after Thorn made cautious noises about the outlook on both sides of the Atlantic. "The warning about US trading and the UK cost overruns came out of the blue," said Nick Bubb, retail analyst at Meeus Pierson. "It is a dull company that cannot afford to disappoint."

Mike Metcalf, Thorn's chief executive, said the market remained highly competitive in most of its key markets including the US and it faced delays

in making cost efficiencies in Britain.

He also revealed a higher than expected £35m provision taken to cover the collapse of Escom, the German computer retailer which had taken on more than 230 leases from Thorn's Rumbelows chain.

Some 180 of these leases, mostly in poorly located high street sites, reverted to Thorn when Escom folded. Thorn is still looking to sell the shops.

Thorn's shares closed just off their day's low, down 34p at 313.5p, their lowest level since the summer demerger from EMI.

Mr Metcalf blamed Thorn's poor stock market performance partly on worries about litigation in the US. He said the company would contest any damages award from lawsuits it faces in several states over its rental-

purchase sales system, though he was unable to estimate what level of provisions may be required for these cases.

In the six months to September, Thorn made pre-tax profits of £87m, versus £79m a year earlier, before the exceptional costs of the Escom leases. The maiden interim dividend is 3.5p.

Thorn's main business is hire-purchase deals on electrical goods such as televisions and video recorders mainly sold in the UK under its flagship Radio Rentals chain.

It also opened 16 more of its new downmarket Crazy George stores during the period, bringing their total to 47. Recently Thorn has expanded into selling furniture and personal computers and plans to enter the car rental market in the US.

Investment column, page 25

ITN plans £5m charge to clinch ITV deal

Mathew Horsman Media Editor

ITN, the makers of *News At Ten*, are to take a restructuring charge of £5m next year to meet the costs of a sharply lower contract for the provision of news to the ITV network.

The charge, which will be made against 1997 earnings, will be paid partly by the ITV companies themselves, as a condition of a new five-year contract that has now been agreed in draft form between ITN and ITN.

ITN insiders insist that no jobs are in danger in 1997, and that any restructuring costs would be linked, at least initially, to the introduction of new technology. The company currently employs 700 people.

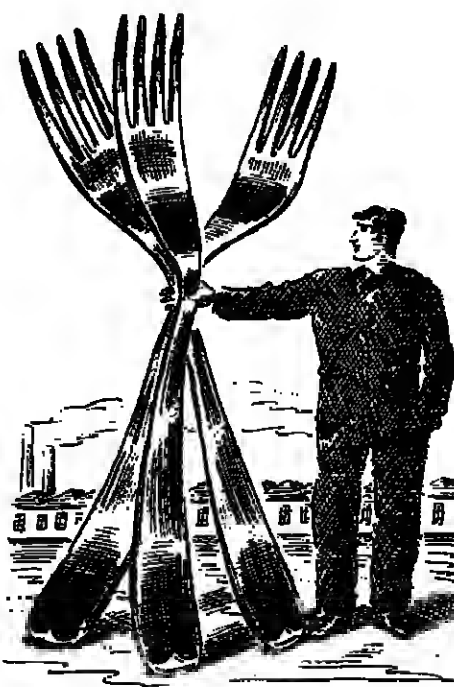
According to documents outlining the draft agreement, the ITV news service will cost £54m in 1997, dropping to £42m in 1998. Thereafter, the contract calls for increases in line with the rate of inflation.

The sharing of the restructuring costs, with ITV paying £3m, reflects the fact that several ITV companies are both customers and shareholders of ITN.

The new deal follows months of uncertainty, during which ITN had to see off the threat of a competing news service from BSkyB. Rupert Murdoch's satellite television service, and persistent worries over the company's ownership structure.

BSkyB had offered to provide a news service to ITV for just £20m, compared to this year's price from ITN of £57m.

What's the connection between Grand Forks and Sheffield?



© 1996 Northwest Airports

NORTHWEST

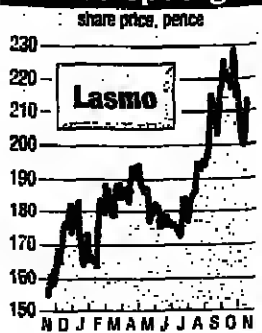
KLM

market report / shares

Data Bank

FTSE 100
3921.1 +3.9
FTSE 250
4400.2 -9.7
FTSE 350
1973.9 +0.6
SEAQ VOLUME
707.2m shares,
40,834 bargains
Gifts Index
94.49 +0.39

Share spotlight



British Gas injects activity into lethargic market

Energy shares managed to inject a little activity into a lacklustre stock market, again weighed down by concerns over the Budget.

British Gas was the catalyst for the energy display. The shares jumped 19.5p to 228.5p, the highest since June, as the long-running rumour of a takeover bid from the Shell oil giant was dusted down and given sudden prominence.

The market has grown increasingly convinced that Shell, as well as British Petroleum, are casting around for major acquisitions. Besides British Gas, the two generators, National Power and PowerGen, have in recent weeks been put forward as likely victims of the ambitions of the oil giants.

BP gained 5p to 675p and Shell 10.5p to 996.5p. National Power rose 8.5p to 453.5p and PowerGen 8p to 573p. ScottishPower joined in, adding 7p to 329p.

Most oils were firm. Lasmo put on 5p to 213.5p as Panmure Gordon drew attention to the group's attractions and predicted the shares would top 300p by the end of next year.

Lasmo has the distinction of beating off a takeover assault from Enterprise Oil. It is still looked upon as a bid candidate, with a US strike thought likely to emerge.

Hopes the remaining electricity distributors will soon be engulfed in corporate action lifted London Electricity 10.5p to 636.5p and Yorkshire Electricity 11p to 746.5p.

British Energy, figures on Thursday, was squeezed 2.5p higher to a 126p peak. Elsewhere activity was inhibited only by the Budget but by growing uncertainty over interest rates and the problems the strength of sterling is creating for some companies.

Government stocks scored



gains on the back of the PSBR figures.

Footsie could muster only a 3.9-point gain in 3,962.1 with second and third-line stocks mostly in retreat.

Cookson, the industrial materials group, fell 10p to 226.5p as the rumoured bid - Friday's hot tip - failed to materialise.

BT fell 6.5p to 364.5p, overshadowed by first-time dealings in Deutsche Telekom.

Profit warnings undermined sentiment. Forward, a maker of printed circuit boards, crashed 149.5p to 132p; Meltek, a computer support group, slumped 25p to 72.5p; and Colson, a recruitment group, suffered a 17p fall to

MARKET REPORT

DEREK PAIN

stock market reporter of the year

52.5p despite the promise of a maintained final dividend. Although the accompanying trading statement was subdued, it was a cross of 770,000 shares at 50p which created the hesitation. Publisher Rushmore Wynne shed 0.25p to 2p following a warning of a 10-month £100,000 loss.

Vanguard Media jumped 55p to 565p as the SmithKline Beecham giant confirmed plans in market its migraine drug, Tost, the vehicle securities group, advanced 7.5p to 87.5p; it has two contracts which could push the fledgling group close to break-even.

WS Atkins, an engineering consultant, reached its highest

since its July flotation. It has achieved the contract to be project manager of the first phase of an electronic components plant in South Wales. Sold at 215p, the shares gained 26p to 348.5p.

Jefferson Smurfit, the packaging and paper group, added 2.5p to 166.5p as Salomon Brothers said buy. The shares are down 27-pc cent from their peak, hit two years ago, and Salomon says the company has an "impressive track record of buying undervalued assets; it has never built a new paper machine".

House of Fraser continued to attract bid speculation, up 5.5p to 157p. Hambros, the merchant bank which has seen off vulture fund Regent Pacific, gained 12p to 247.5p as favourable comment from Barclays de Zoete Wedd mingled with thoughts that the group is still vulnerable to a strike.

Provident, the vending machine group, made a lively debut, briefly trailing its placing price but ending with a 7.5p gain at 132.5p.

Ockham's decision to float its stockbroking arm. Wise Speke, left the insurance group 2.5p down at 82.5p.

Bluebird, the toy maker, was enlivened by the \$755m US toys merger between Mattel and Tyco Toys. The prospect of more toy deals in the run-up to Christmas was enough to lift Bluebird 13.5p to 180p. The shares, however, have had a dismal run, falling from 357p earlier this year.

Fibernet, rolling out a national network linking computers with faxes, telephones and videorecorders, edged forward 2p to 124.5p after reporting a £228,000 profit. Stockbroker Greig, Middleton expects a loss of £1.9m this year with a surge in profits of £10.4m in the following year.

Emerald Energy stuck at 2.5p. It has, through an institutional placing by stockbroker WH Ireland, raised £7.5m and stands to get a further £4.3m from a placing and open offer.

The cash is needed to develop oil projects in Colombia. Dr Keith Hewitt, leading the Colombian charge, has enjoyed remarkable success in the areas Emerald is exploring. It is said the projects each have the potential of 1 billion barrels of oil.

Eyecare Products, a spectacles maker, has formed a company with Lantis, a US group, which involves the marketing of the high profile Donna Karan range.

Lantis is paying 37.5p for a 15 per cent stake in Eyecare and has an option to buy another 12.5 per cent at between 47.5p and 57.5p. Eyecare rose 3.5p to 33p.

Share Price Data

Prices are in sterling except where stated. The yield is a last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items.

Other details: Ex rights = Ex-dividend = Ex all = Unlisted Securities Market = Suspended = Partly Paid = Nil Paid Shares = £1M Stock

Source: FT Information

The Independent Index

The Index allows you to access real-time share prices by phone from Seag. Simply dial 0800 123 333, followed by the 4-digit code printed next to each share. To obtain the latest financial reports dial 0800 1233 followed by one of the two-digit codes below.

Anyone with a tone-dial telephone can use this service. For a detailed description of the Independent Index, including its portfolio facility, please contact 0800 123 333.

Call cost 50p per minute (daytime), 45p per minute at all other times. Call charges include

Market leaders: Top 20 volumes

Stock	Volume	Stock	Volume	Stock	Volume
British Gas	30,000	Harrold	9,000	Corstorphine	7,000
British Petroleum	25,000	BT	8,000	National Grid	7,000
British Airways	15,000	Rolls Royce	8,000	Titan	7,000
British Airways	10,000	Woolworths	8,000	PowerGen	7,000
BT	10,000	Unilever	8,000	British Steel	7,000
		Unilever	8,000	British Steel	7,000

FTSE 100 Index hour by hour

Open 0900	11.00	13.00	15.00	16.00	17.00
3921.1	3921.1	3921.1	3921.1	3921.1	3921.1

Telstra

Telstra

A:Telstra

Delivering solutions to improve performance.
Call today to find out how we can help.

0800 856 0856

Alcoholic Beverages	Aluminium	Automotive	Chemicals	Construction	Diversified Industrials	Electricity	Engineering	Food & Drink	Health Care	Household Goods	Insurance	Investment Companies	Leisure & Hotels	Media	Oil & Gas	Other Financial	Pharmaceuticals	Printing & Paper	Property	Real Estate	Retailers	Services	Support Services	Telstra	Telecommunications	Textiles & Apparel	Tobacco	Transport	Utilities	Water	Yield
Alcoholic Beverages	Aluminium	Automotive	Chemicals	Construction	Diversified Industrials	Electricity	Engineering	Food & Drink	Health Care	Household Goods	Insurance	Investment Companies	Leisure & Hotels	Media	Oil & Gas	Other Financial	Pharmaceuticals	Printing & Paper	Property	Real Estate	Retailers	Services	Support Services	Telstra	Telecommunications	Textiles & Apparel	Tobacco	Transport	Utilities	Water	Yield

0800 856 0856

Shares plunge on warning from Forward

Magnus Grimond

Ray Chamberlain, chairman of Forward Group, saw nearly £30m wiped off his personal net worth yesterday after shares in his once fast-growing electronics company crashed following a surprise profits warning.

Forward, one of Europe's biggest makers of printed circuit boards, said a sudden fall-off in demand for its products and higher costs meant that it would effectively only break-even in the second half. The news represents a sudden shift into reverse for a group which combined its warning with news of tripled profits in the first half. The shares accordingly plunged from 281.5p to 132p yesterday.

Mr Chamberlain, who saw his 40 per cent stake in the company collapse in value from £61.7m to £28.9m, was putting a brave face on his problems. In a statement, he announced a 25 per cent uplift in the interim dividend to 1p and reported "encouraging prospects for 1997" following a series of meetings with key customers. Along with encouraging forecasts for the European printed circuit board industry, "I remain confident that 1997 will prove to be a successful year for Forward Group," he said.

But brokers said that pre-tax profits which soared from £2.01m to £6.21m in the six months to July are the last the group is likely to see this year. Previous full-year forecasts had been for around double that level. Orders, normally run on a four- to six-week cycle, have slumped in October and November, as manufacturers, caught out a year ago by over-estimating the expected demand for chips and boards, appear to be shortening their stocks.

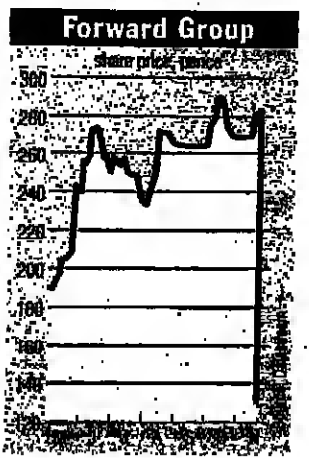
Meanwhile, Forward's aggressive expansion policy is expected to run up £1m in exceptional costs as the three ac-



Ray Chamberlain: Lost £33m yesterday

quisitions made so far this year are integrated with the rest of the business. Gearing, 35 per cent at the year end, has already moved up to around 50 per cent and Forward warned that it was above previous expectations.

Derrick Bumpstead, chief executive, echoed his chairman's optimism. "Things were looking good until the final quarter, when we started to go through a destocking period... I think it's going to run across the year-end period, going through to the



back end of January. There is no question in meetings with customers that things are looking good for next year."

Mr Bumpstead blamed over-optimism amongst customers last year, particularly the personal computer industry, which saw its market fall off going into 1996 and is only now recovering. Although around 45 per cent of Forward's sales go to the telecoms market, with defence, photocopyers and the like also more important, the personal computer market tends to set the trend, Mr Bumpstead said. The underlying growth rate of 8 per cent was "still there and still strong", he added.

Stephen Williams of brokers Williams de Broe has halved his forecast for the current year to £6.25m, rising to above £10m in 1997/98. He said most of the damage had occurred in the high volume end of Forward's business, mainly Exacta Circuits, acquired last year, and Forward Circuits. He said the news shocked the market, but he suggested the orders could start coming back in December as customers geared up for next year.

Thorn demerger may not pay off

THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

Demergers, the fashionable thing to do these days with unfashionable old conglomerates, are meant to unlock and enhance hidden shareholder value. That's not immediately apparent in the case of Thorn EMI.

Some £70m was spent on fees and an inordinate amount of senior management time was spent on the minutiae of unbundling the EMI music business from Thorn's rental activities, yet the stock market has given both a cool reception.

Upon demerger, Thorn EMI's shares stood at £18.33; today the sum of the parts is worth less than £16, representing a £1m loss in stock market value in just three months. Thorn has been particularly hard hit. Offered at 408p, the shares have been in virtual free-fall, partly due to worries about US litigation. They dropped a further 34p yesterday to 313.5p as Thorn warned on a sudden downturn in its US rentals business and start-up delays in the UK. It also unveiled a £32.9m one-off charge for 180 stores that reverted to Thorn when the German computer retailer Ecom collapsed.

Thorn charges customers an annual interest rate of up to 30 per cent for renting a television or video, but its chief executive, Michael Metcalf, claims its rentals business is less exposed to the vagaries of the economic cycle than its retail peers.

That's certainly evident in the UK, where booming high street retail sales have not fed through to the flagship Radio Rentals chain or the more down-market Crazy George concept.

UK operating profits fell by more than £1m to £34.4m, though the short-fall was blamed on the cost of rolling out Crazy George, which is aimed at the estimated one in four households in the UK earning less than £10,000 a year. Return on sales was also lower due to the delayed start-up of Thornlink, a new national call centre handling customer inquiries which won't be on stream until next autumn.

Why the US Rent-A-Center business has suddenly fallen off a cliff is less clear. True, major consumer electronics retailers there are seeing significant like-for-like sales declines, but Thorn, as Mr Metcalf insists, is meant to be relatively immune from that sort of thing. Whatever the reason, US store sales are expected to show a "modest decline" over the full year after a "disappointing three months to September".

Mees Pierson has cut its 1997 forecast for pre-exceptional profits by £12m to £180m, and shaved £18m off its 1998 number to £192m, putting the shares on a prospective PE ratio of 11. The lesson from yesterday's share

price collapse is that fundamentally dull companies cannot afford to spring nasty surprises on shareholders. With double-digit earnings growth rates fast becoming a memory, the discount rating to the market is more than deserved.

Cookson has lots of potential

Dick Oster, the cigar-chomping former American football player, has had plenty of opportunities to voice his ebullient optimism in the five years since he started dragging Cookson back from the brink of oblivion. For a man of his temperament, the past six months at the electronics and plastics group must have been extremely trying.

Since April, when the shares traded at 327p, it has been downhill all the way with a slump in the US electronics market clobbering Cookson's flagship operation which makes circuit board manufacturing machines. For a company that proudly trumpeted plans to double profits in three years and triple them in

five, the recent 5 per cent increase at the interim stage was a washout.

It was hardly surprising, when the shares bottomed out at 208.5p recently, that takeover speculation should bubble up in a frenzy of gossip that brought Siemens, BBA, Charter, and even joint venture partner Johnson Matthey into the frame. No surprise either that, when the bid failed to materialise yesterday morning, the shares should fall 10p to 226.5p.

Cookson managed during 1995 to decouple itself from the out-of-favour conglomerates it most closely resembled, but 1996 has seen it clumped in with the likes of Hanson and BTR again. That is slightly unfair, given the strength of some of its companies. Like BTR and Hanson, it runs a broad portfolio of businesses, but, unlike its peers, it tends to operate in areas of high potential growth. The circuit board business has been hit by de-stocking, but it remains fundamentally attractive with computer chips finding themselves in a bewildering and growing array of consumer products.

There are ongoing problems at Cookson, with the electronics slow-

down coinciding with a deteriorating cash position. Gearing has breached the previous ceiling of 40 per cent and a new 50-60 per cent range has been introduced. On the basis of forecast profits this year of £171m and £200m next time, the shares trade on a prospective price/earnings ratio of 13 falling to 11. At that level the good businesses in Cookson receive scant recognition and the shares are good value.

Celsis builds up its sales

Despite its name, Celsis International is not a biotechnology company, but a maker of bacteriological testing kits which use technology derived from fireflies. As a result, the shares have tended to be bypassed in the excitement over the biotech sector. But blame for their 25 per cent underperformance against the rest of the market this year looks better directed at a steady trickle share sales by two of the founder directors, Chris Evans and John Morris.

Their apparent diffidence about the company looks odd, given the prospects. Yesterday's announcement of pre-tax losses cut £1.2m £2.99m to £2.7m in the six months to September was less important in itself than what it heralded. In contrast to most biotech companies, sales are already starting to build rapidly and the latest six months have been marked by three developments which should more than maintain the momentum.

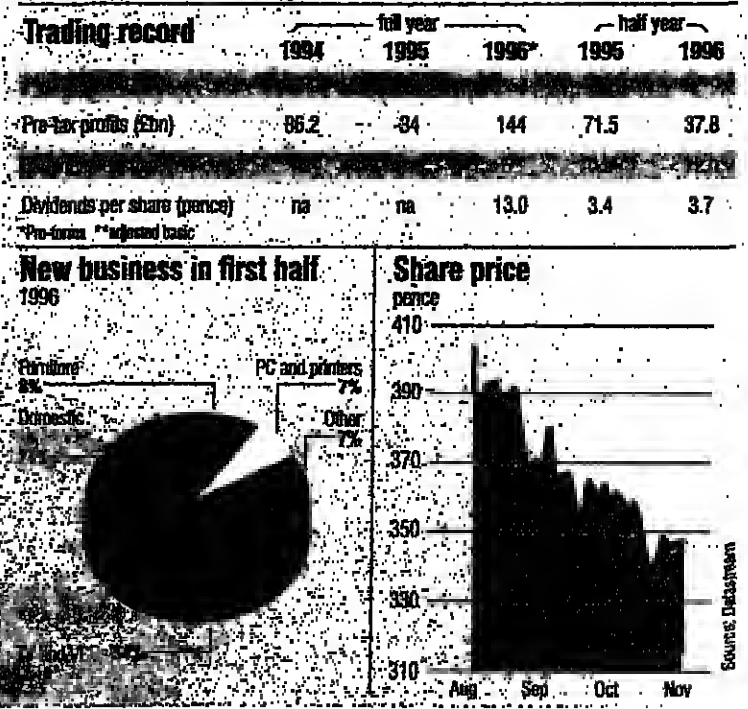
Last year's link-up with Unilever offshoot Lever Industrial has delivered its first sales, with 400 deliveries of the systemSURE dirt-monitoring device since its launch in May. Meanwhile, sales of kits for screening end products from cosmetics to food, already up from 60 to 160 in the half year, are set to get a big leg-up from the partnership with Millipore, a big US filtration and microbio testing company, announced six months ago. Already five more multinational groups have been signed up and the eventual market is put at £600m.

Finally, September's £11.2m acquisition of Lumac, a Dutch rival, has broadened the group's position in the food industry and gives Celsis a state-of-the-art production facility.

The £7.8m net cash on the balance sheet should see the group through to first profits in the 1997/98 year, while previous worries about competition seem to be dispelled by the confidence displayed by the big groups willing to team up with Celsis. At 103.5p, 3.5p above the 1992 float price, the shares do not look dear.

Thorn : at a glance

Market value: £1.36bn, share price 313.5p



IN BRIEF

• Hanson's construction materials subsidiary ARC is to merge its Midlands hardstone quarrying and asphalt manufacturing operations with businesses belonging to Barmac. The new company will be an equal partnership. Barmac is putting in assets worth £30m, whilst ARC's asset contribution is £8m. ARC is to pay Barmac £15m as a cash adjustment. The new venture, to be called Midland Quarry Products, will start trading in mid-December.

• Shares in 600 Group fell by more than 6 per cent or 17p to 248.5p despite the announcement of what the company called another successful half year. Sales from the machine tools business continuing operations increased 5 per cent and profits before pension credits and payments rose from £3m to £5.1m. Michael Wright, chairman, said new products, especially its Alpha electronic lathe, were continuing to win market share.

• Geest said yesterday it had signed a memorandum of understanding to enter a five-year supply agreement with Albert Heijn, the Dutch supermarket group. The deal covers a range of short shelf-life chilled foods. Albert Heijn is a subsidiary of Royal Ahold, the third-largest food retailer in the world. It has 27 per cent of the Dutch grocery market with 646 supermarkets and annual sales of £4bn. Geest, which recently pulled out of its banana businesses, is a leading manufacturer of short shelf-life chilled foods in the UK.

• Shares in Tiscali, founded by multi-millionaire hi-science tycoon Chris Evans, jumped 9 per cent yesterday to 87.5p after the company announced two new contracts. One is to supply contract hire and leasing company PHH with the security needs for its 335,000 vehicle fleet; the other is an installation contract with Ford Cellular Systems, Ford's cellular phone subsidiary. The two deals could be worth around £4m in turnover and are expected to push the group close to break-even.

Jarvis Porter bullish despite profits slide to £6m

Tom Stevenson
City Editor

Destocking by the spirits industry led to a 10 per cent reduction in Jarvis Porter's sales of labels to drinks manufacturers in the six months to August, contributing to a slide in underlying group profits from £7.3m to £6.1m. Despite the fall, Jarvis's shares closed 10p higher at 212.5p as the market focused on a 9 per cent rise in the

dividend and a bullish assessment of second-half prospects from the chairman, Paul Jarvis.

Speaking after the announcement of the figures, Mr Jarvis said: "Over the last six months we have started to implement our World Class Strategy with a series of initiatives attacking our cost base, reorganising our businesses and investing in the future growth of Jarvis Porter. The second half of the year has started more

strongly, following the mixed trading conditions of the first and the benefits of our initiatives will start to flow through in the next financial year."

Following the acquisition two years ago of Donprint, a Scottish manufacturer of product identification labels for the likes of IBM and Compaq, Jarvis has embarked on a massive restructuring of its businesses with production reorganised and staff split into

dedicated "cells" serving individual clients such as Unilever and SmithKline Beecham.

The change has involved a re-training programme, new computer systems and physical reorganisation of machinery in a bid to offer a "seamless" service to high multinational customers in the toiletries and pharmaceuticals industries.

After the cost of the reorganisation, profits emerged at £5.1m, with earnings per share

sliding from 10.2p to 7.1p. Mr Jarvis said a rise in the interim payout from 2.15p to 2.35p reflected confidence in future earnings growth and the fact that net debt of £6.5m was only marginally higher than a year earlier, representing gearing of only 23 per cent.

Apart from the downturn in spirits labels, there was a slowdown in sales growth to the computer and electronics industry at a time when invest-

ment was stepped up to provide capacity for projected expansion. That offset good demand from home and personal care customers.

Mr Jarvis said he believed trading had improved since September, with deliveries to drinks customers rising closer to the levels originally budgeted for. The computer and electronics industry was also returning to a faster rate of growth.

Wise Speke plans float to attract staff

Jill Treanor
Banking Correspondent

Wise Speke, the Newcastle-based stockbroker and fund manager, is preparing the way for a top-level recruitment campaign with plans for a £15m stock market flotation. The firm said it hoped this would make it easier to attract senior professionals.

Fund managers typically expect their remuneration packages to include a stake in the company. However, Wise Speke has not been able to include such incentives in its pay awards because it is 100 per cent owned by Ockham Holdings, which is primarily associated with a Lloyd's of London insurance business.

"I have been very impressed by the quality of management in Wise Speke and I believe that the business can do even better under the stimulus of the proposed public ownership and status," said David Poole, chairman of Wise Speke and chief executive of Ockham.

"We also believe that, by being listed, the management of

Wise Speke will have far greater ability to attract new entrants to build the business," he added.

Ockham intends to keep a 60 per cent stake in Wise Speke, which manages £2.1bn of money for 19,000 clients.

For the year ending December 1996, Wise Speke is forecasting a profit before exceptions and tax of not less than £2.25m.

Company Results				
	Turnover £	pre-tax £	EPS	Dividend
Capital Group (t)	11.2m (4.6m)	0.77m (0.64m)	6.74p (4.51p)	1.60p (1.33p)
Celsis Int'l (t)	4.14m (1.72m)	-2.7m (-2.99m)	-3.41p (-4.11p)	nil (-)
Diploma (t)	235m (216m)	23.5m (27.4m)	27p (31.78p)	11p (10p)
Fluorim (t)	5.99m (5.81m)	0.33m (0.54m)	- (-)	nil (-)
Jarvis Porter (t)	48.3m (45.0m)	5.08m (7.27m)	7.1p (10.20p)	2.35p (2.15p)
London Industrial (t)	- (-)	2.28m (1.79m)	11.4p (9.20p)	4.5p (4p)
Midland Rental (t)	1.12m (1.18m)	9.64m (8.81m)	12.27p (11.63p)	6.7p (6.4p)
MOI Group (t)	67.2m (67.5m)	30.4m (4.83m)	35p (7.10p)	1.5p (0.75p)
Thorn (t)	785m (734m)	-70.3m (-71.5m)	3p (10.9p)	3.7p (3.4p)

(t) - Final (t) - Interim *current pre-tax figures in pre-tax (profit/loss)

What's the connection between your doorstep, a limousine, 200 U.S. cities and a pair of comfy socks?



The most relaxing, hassle free trip you've ever had is now possible when you fly World Business Class to any of 200 US cities with Northwest Airlines or our partner KLM.

If you live within 60 miles of Gatwick or even one of our 19 regional airports we'll send a complimentary chauffeur driven car* to pick you up from your

From your doorstep in Stone, Buckinghamshire (or any of the other 19 routes called Stone) all the way to Flint, Michigan.

front door. Then check in your luggage at your local airport

and forget about it until you reach the States.

Your transatlantic flight will be out of Gatwick or Amsterdam Schiphol and in World Business Class you'll experience comfort down to the tips of your toes. You can even earn free travel not just to the United States but to more than 400 destinations in 80 countries on 6 continents.

So if you don't want to miss the connection, fly Northwest Airlines.

From your doorstep in Sheffield all the way to Grand Forks, North Dakota.



0 9 9 0 5 6 1 0 0 0

*Available only for passengers on full-fare World Business Class tickets. Service available on Northwest and KLM transatlantic flights with connecting service on Air UK or KLM. © 1996 Northwest Airlines, Inc. Northwest recycles enough paper products in one year to save over 3,000 trees.

business

EMU will force businesses to become more efficient

So it looks as though there will be a referendum on Britain's participation in the single currency, whichever party wins power at the next election. But during the inevitable debate, expect most of the comment to be at a macro-economic level - what will happen to interest rates, growth, inflation and so on - just as it is at present.

In fact, there is a decent case to be made that the main impact on the European economy of EMU, if it happens, will not be at a macro level but at a micro level. The change will not be so much in interest rates or government policy, but in company behaviour.

This is an argument which is being made in particular by the UBS economics team in London, and it seems a convincing one. The starting point is that there is not a lot of leeway available to national governments in setting monetary policy, or increasingly fiscal policy. So the monetary policy imposed by the European Central Bank, and the fiscal policy determined by the stability pact now being negotiated, will be pretty much the standard orthodoxy required by the financial markets. A common currency, however, will force convergence in other ways, for example in pension provision. It would not be possible for one country to carry on with pensions paid largely on a pay-as-you-go basis, if other members of the currency union had funded schemes, a point which has great implications for stock markets in continental Europe.

So macro-economic convergence will force convergence in the size and structure of share markets. But what about industrial structure? I became aware of another implication of the single currency in conversation with a director of a large continental food firm last week. This company prices its products differently in different markets. It tends to manufacture locally and, in countries where costs are higher, charges more



Hamish McRae

'The European economy will come to look much more like the American one, with even small companies seeking to sell their products to the wider market'

for its goods. The fact that this is not the most efficient method of manufacture is compensated by the fact that exchange exposure is limited. In theory the company could presumably cover itself against shifts on the exchange but in practice local manufacture is a convenient way of doing so. In any case, the company can get away with it while there are different currencies these differences in prices are not apparent.

Were there to be a single currency, not only would exchange rate risk be eliminated; any pricing differences would become immediately apparent. One macro effect would be to force convergence in VAT rates: the macro equivalent would be a rapid harmonisation in prices and an almost equally rapid shift in production to the lowest-cost production centres. If

companies did not harmonise prices then arbitrage would do so, and the convergence of prices would mean that they could no longer "carry" high-cost plants by imposing higher prices on those markets.

Now in a general sense this point is appreciated by the policy-makers, for one of the arguments in favour of EMU is that it will encourage economic convergence. But there is not much evidence that they appreciate this will mean factory closures in the high-cost locations and/or a general rise in the price levels in low-cost ones.

This last point was put by a colleague to the chief executive of another large European food group: would joining the single currency mean a rise in the general level of UK prices?

The response was a guarded one - according to my colleague a lot of shilly-shallying and the implicit acknowledgement that UK prices for this group's products would rise towards continental levels, but no clear answer. That might be understandable under the circumstances, but my colleague was distinctly underwhelmed.

So there are two potential micro shifts - the shift of continental European financial systems to the equity culture, and the harmonisation of prices, or at least the prices at which producers sell their goods wholesale, across Europe. If the latter were to result in rises in the British price level, I'm not sure whether that would count as a micro or a macro effect in economic terms, but it would certainly be pretty macro in political terms.

But the overwhelming balance of probability is that, even if the project goes ahead, the UK will not be part of it. Will these micro effects still happen in the UK?

I think the answer is yes, because in the world of finance the anticipation of an event is almost as important as the event itself. Think back to privatisation: before a nationalised industry was privatised the management

would tackle many of the underlying problems of the business. The quality of service started to improve, overmanning was reduced. In management terms the preparation for privatisation gave the spur: change started to happen before the actual share sale.

It is reasonable to expect a similar process to occur with regard to EMU. You can see this happening in fiscal policy: governments doing what they know they should have done years ago to correct their deficits. Now expect it to start happening at a company level: companies improving the efficiency of their European plants, taking the decisions they know they should have taken and which they are now pushed to do.

The result will be a more efficient and a more specialised Europe. This will affect the "outs" as well as the "ins", because the business community will work on the assumption that the outs may join later. This will have two main effects: the European economy will benefit from the drive to increase efficiency, but the social costs of this harmonisation will be large.

Most important of all, the European economy will come to look much more like the American one, with even small companies seeking to sell their products to the wider market. But countering this will be political unrest, as more jobs are seen to go to low-cost countries.

Arguably that would help the UK as it is, by European standards, a relatively low-cost producer. But that would further intensify the concern in other countries about this cost advantage and increase the efforts by other countries to ensure that Britain does not have an "unfair" advantage from these lower costs. The single currency will force politicians to confront the costs as well as the benefits of economic becoming more specialised, costs which will show up particularly in the form of changing employment - and unemployment.

Blood on the carpets as 'Attila' the Brum' takes BZW by storm

PEOPLE & BUSINESS

When Birmingham-raised Bill Harrison arrived at BZW from Robert Fleming in September, some people jokingly dubbed him "Attila the Brum" in the hope that he would weld the various cultures within the investment bank into a more cohesive whole.

Some blood letting was implied in the title. Few BZW insiders, however, anticipated that the soubriquet would become so apt.

The carpets of the bank are fairly drenched in the blood of senior staff, while last week the bank sacked 33 people from its back office, sales, trading and secretarial staff. Various other descriptions of Mr Harrison are currently doing the rounds among the shell-shocked troops at BZW, none of them suitable for a family newspaper.

Those jolly pranksters at Crédit Lyonnais Laing have produced an amusing Budget spoof in the shape of a newspaper, *The Laing Times* - 30p. The headline on the front page reads: "CL Laing EXCLUSIVE: Ken goes for a p'."

The headline refers to Laing's Bang's Budget prediction that the Chancellor Ken Clarke will cut the basic rate of income tax by 1p to 22p in a bid to win the election.

Sadly, we were unable to bring you a suitable illustration of this story.

NatWest may be the UK leader in small business lending with 28 per cent of the market, but it also seems to have more than its fair share of house restorers.

For instance, Ian Peters, head of Small Business Services at NatWest for two and a half years, is handing over the reins to Peter Ibbotson on 2 December.

Mr Peters and Mr Ibbotson are both martyrs to their historic houses. Mr Peters spends most of his free time doing up his large pile in the Sussex Downs. Mr Ibbotson is similarly immersed in restoring his 400-year-old thatched cottage in the village of



Branch lines: Barry Gamble, who keeps railways leaf-free

Sharnbrook, near Bedford. Mr Ibbotson, 40, is also a trustee for Cherish, a charity dedicated to preserving the structure of his local church, although he says the money he lavishes on his cottage "has made it feel like a charity for the last few months".

Mr Ibbotson is that rare breed, an investment banker going into the retail variety. He's spent the last eight years in the Aerospace department

at NatWest Markets advising the European Commission. He has, however, over 22 years with NatWest Group.

Dame Sheila Masters, a council member at the Institute of Chartered Accountants (ICA), has led the charge for women at the male-dominated bank's professional body for many years. Now she has competition.

Miss Graham may not

have been elected to the bank's council yet, though she has made a good start as chairman of the Workplace 2000 initiative. Workplace 2000 was founded by the ICA in response to a demand from its women members to provide them with information and advice on workplace issues, not least how to break the "glass ceiling".

Ms Graham, qualified with Price Waterhouse in 1984 and is a former chairman of the London Society of Chartered Accountants. Her appointment should mean the ICA's lusty offices in Moorgate.

Fountain Forestry is going for an AIM listing in December. The forestry management company run by Barry Gamble, chairman and chief executive, has made a name for itself by clearing trees, branches and railway lines, which can create the notorious "trees on the line" problem.

One snag occurs to me. National Tree Week begins on the 23 November. So the tree huggers will be out in force just when Mr Gamble will be tramping round institutions seeking funding.

A Fountain Forestry spokesman is quick to dispel the notion of the company as an enemy of trees. "It's a very green company. They trim the branches but they don't ruin the existence of the trees." That's all right then.

You may have thought, Mr Smith & Williamson was just a boring little accountancy firm near the BBC in Finsbury Park, London. In fact, it has been involved in investment management for 70 years, and has grown to such an extent that it has need to poach Charles Lindell from Prudential Portfolio Managers to head up its securities side.

There's just one cloud on the horizon, however. Last month the firm won the *Accountancy Age* award for Medium Sized Firm of the Year, a sure kiss of death.

John Willcock

Foreign Exchange Rates

Currency	Spot	1 month	3 months	6 months	1 year
US	1.6715	1.6715	1.6715	1.6715	1.6715
Canada	2.2454	2.2454	2.2454	2.2454	2.2454
Germany	2.2454	2.2454	2.2454	2.2454	2.2454
France	6.4848	6.4848	6.4848	6.4848	6.4848
Italy	2.0222	2.0222	2.0222	2.0222	2.0222
Japan	160.24	160.24	160.24	160.24	160.24
ECU	1.9376	1.9376	1.9376	1.9376	1.9376
Belgium	51.735	51.735	51.735	51.735	51.735
Denmark	6.4848	6.4848	6.4848	6.4848	6.4848
Netherlands	2.0222	2.0222	2.0222	2.0222	2.0222
Ireland	0.7876	0.7876	0.7876	0.7876	0.7876
Portugal	20.48	20.48	20.48	20.48	20.48
Spain	166.36	166.36	166.36	166.36	166.36
Sweden	10.336	10.336	10.336	10.336	10.336
Switzerland	2.0222	2.0222	2.0222	2.0222	2.0222
Australia	2.0222	2.0222	2.0222	2.0222	2.0222
Hong Kong	7.7556	7.7556	7.7556	7.7556	7.7556
Malaysia	4.7556	4.7556	4.7556	4.7556	4.7556
New Zealand	2.0222	2.0222	2.0222	2.0222	2.0222
Saudi Arabia	2.0222	2.0222	2.0222	2.0222	2.0222
Singapore	2.0222	2.0222	2.0222	2.0222	2.0222

Other Spot Rates

Currency	Spot	1 month	3 months	6 months	1 year
Argentina	1.6715	1.6715	1.6715	1.6715	1.6715
Australia	2.0222	2.0222	2.0222	2.0222	2.0222
Canada	2.2454	2.2454	2.2454	2.2454	2.2454
Denmark	6.4848	6.4848	6.4848	6.4848	6.4848
France	6.4848	6.4848	6.4848	6.4848	6.4848
Germany	2.2454	2.2454	2.2454	2.2454	2.2454
Greece	2.0222	2.0222	2.0222	2.0222	2.0222
India	2.0222	2.0222	2.0222	2.0222	2.0222
Indonesia	2.0222	2.0222	2.0222	2.0222	2.0222
Italy	2.0222	2.0222	2.0222	2.0222	2.0222
Japan	160.24	160.24	160.24	160.24	160.24
Korea	2.0222	2.0222	2.0222	2.0222	2.0222
Malaysia	4.7556	4.7556	4.7556	4.7556	4.7556
New Zealand	2.0222	2.0222	2.0222	2.0222	2.0222
Saudi Arabia	2.0222	2.0222	2.0222	2.0222	2.0222
Singapore	2.0222	2.0222	2.0222	2.0222	2.0222

Forward rates quoted high to low are at a discount; subtract from spot rates to get forward rates. For the latest foreign exchange rates call 0800 123 3333. Calls cost 30p per minute (plus VAT) 45p per minute.

Interest Rates

UK		Germany		US		Japan	
Base	6.00%	Discount	2.50%	Prime	8.75%	Discount	0.50%
France		London	4.50%	Discount	5.00%	Belgium	
Intervention	3.20%	Canada		Fed Funds	5.25%	Discount	2.50%
Italy		Prime	4.25%	Swiss	5.00%	Switzerland	3.00%
Reserve	7.5%	Denmark		10-Day Repo	6.75%	Sweden	
Markets		Denmark	5.00%	Sovern		Switzerland	
Advances	2.50%	Denmark	3.25%	Repo (A-1)	4.00%	Discount	1.00%
						London	1.25%

1000



Cricket 1997
Complete fixtures for the
first-class season, page 28

sport

You're not singing any more
Glenn Moore examines the decline of
vocal passion on the terraces, page 28

Venables on the verge of Australian adventure

Football
NICK DUXBURY
AND ALAN NIXON

Terry Venables was yesterday mulling over the fine details of a £200,000-a-year contract that will see England's erstwhile coach masterminding Australia's attempt to reach the 1998 World Cup finals in France.

Venables, who left his England post after leading the team

to the semi-finals of Euro 96 and then joined First Division Portsmouth in the role of director of football, had another meeting yesterday in London with David Hill, the chairman of Soccer Australia.

Venables, 53, who stands to increase his England salary by 30 per cent, would not confirm that he had taken the job. "We are still talking. So I do not want to say much more at this moment in time," he said. However, he has made it plain that one of his

remaining ambitions is to be involved in a World Cup.

Soccer Australia believe Venables is the man to elevate them into mainstream international football and it is likely they will allow him to continue his role at Portsmouth. The new job will require him to spend much of his time in Europe monitoring the leading Australian players who play their club football here.

"China, Japan, Korea and teams like that are emerging fast

and I think Australia are another country that want to get involved big time in world football," Venables said.

"My knowledge is not as up to date as Eddie Thomson's, the last manager but I've spoken to him and he has been very helpful. Anyway we'll have a fair idea fairly soon."

Thomson is going to Japan, leaving the way open for Venables to take charge of top players like Aston Villa's Mark Bosnich.

However, reaching the World Cup finals is a daunting task for the Australians. They are in the Oceania qualifying group and, if successful, would have to beat an Asian qualifier in a play-off to reach the last 32 in France.

Chelsea, not content with having just spent £4.5m on Gianfranco Zola, are now considering parting with another £3m for the Fortuna Dusseldorf keeper Georg Koch.

"We are in talks with Chelsea

and if we get the money then Koch will be sold," Jürgen Hauswald, the Dusseldorf president, said. "Chelsea are building a world class team. Georg would be mad not to go there with the money on offer."

Chelsea are understood to have offered Koch a five-year contract worth £8,000 a week.

Tony Parkes has been told that he will be in charge of Blackburn Rovers for at least the next month as they continue their search for a successor

to Ray Harford. Rovers were turned down by Venables and attempts to interview managers Howard Kendall, Peter Reid and Bruce Rioch was blocked by their clubs.

Extraordinary goings-on in Carlisle have left the chairman and chief executive Michael Knighton reconsidering his decision to quit following a dispute with a local newspaper over a story about his experience with a UFO at motorway filling station. The story was headlined:

"Knighton: Alices Spoke To Me"

Knighton claimed that the report of the incident 10 years ago was the final straw in a "negative campaign" against him by the *Carlisle News and Star*, and said he would leave at the end of the season. "When the relationship has deteriorated to this level, it's time to call it a day," he said.

However, a front-page story by the paper led Knighton to consider his decision.

Villa bid to revive Milosevic transfer

Aston Villa will send a delegation to Italy later this week to try to rescue striker Savo Milosevic's projected move to Perugia.

Milosevic had his first training session with Villa in more than a fortnight yesterday after returning to England when doubts arose over whether the deal would go through at the weekend.

Villa thought a £4.5m fee had been agreed, but now Perugia are believed to be willing to pay only around £2m for the Yugoslav international.

But Villa are mainly concerned about the lack of communication at the Italian end, hence the reason for flying out. Manager Brian Little said yesterday: "We understand the person who would be signing the papers which would authorise the deal has been away for a week."

"Savo rang me before the weekend to ask what was going on and I had to tell him the same information, but he is keen to train and so I told him to get back to us."

"Personally I would say the transfer is still more on than off but the longer it goes on, the worse it is for everyone concerned. There will be an outcome and we will be looking to speed up that outcome this week."

Villa's company secretary, Steve Stride, said: "The logical next step is a trip to Italy to resolve it once and for all."

The stumbling block still appears to be Perugia's failure to off-load striker Marco Negri, who has been attracting the interest of Seville. Perugia were banking on receiving around £2m from that deal to help finance the Milosevic deal, hence their reason for now only being willing to pay around half of the £4.5m Villa had been hoping for.

Little was unable to meet chairman Doug Ellis yesterday to see if he could press ahead with a £6m bid for Liverpool's Stan Collymore, irrespective of whether Milosevic is sold.

Ellis was away from Villa Park attending a Football Association meeting in London and unavailable for comment. He has already sanctioned the spending of £21m on players during Little's near two-year reign at the club.

The Brazilian Emerson is set to resume training with his Middlesbrough team-mates today for the first time since his late return from a holiday in his native country.

That is expected to be the prelude to more elongated talks with manager Bryan Robson over the future of his £4m midfielder, who returned to Brazil reportedly vowing never to play for the club again.

Robson held initial brief discussions with Emerson on Saturday after he arrived back in England 72 hours late but then broke off to concentrate on Monday's game with Derby County at the Baseball Ground.

The Boro boss was not at the Riverside Stadium yesterday and he gave his first-team squad the day off from training after they lost 2-1 to the Rams, a game watched from the stand by Emerson, who still has to serve two matches of a three-game suspension.

Middlesbrough have already made it clear that they will insist on Emerson honouring his four-year contract. But Robson is keen to smooth over troubled waters if possible and the question of helping Emerson's homesick girlfriend Andrea settle in the north-east will be a crucial factor.



Sunshine boys: England's squad had a full work-out at Bisham Abbey yesterday, as they prepared to meet Italy on Saturday

Photograph: David Ashdown

Revitalised Leonard the leader of the pack

Rugby Union
CHRIS HEWITT

The England coach, Jack Rowell, may be far from confident about his goal-kicking options as he prepares his side for this weekend's international opener with Italy - you might say he is having kittens over Mike Catt - but at least he has his front row sorted out.

That is just as well, given the fact that the Argentinians are now in town.

Rowell gave his squad a full afternoon's work-out at Bisham Abbey yesterday and finished the

session by declaring Mark Regan, his hooker, fully recovered from a worrying thumb injury and naming Jason Leonard, his tight-head prop, as *de facto* vice-captain. The popular Harlequin wins his 50th cap against the Italians and will mark the occasion by leading the pack.

"Jason is a key man, a lead singer in the group," Rowell said. "At 28 he is still young and getting better. He's gone up a gear since last season, has done great things at Quins since taking over as captain and if anything should happen to Phil de Glanville against Italy, he will take over."

Leonard has earned his re-

wards the hard way. He finished the 1992 Five Nations campaign in agony - indeed, he could not bind in the last few scrums against Wales on Grand Slam day at Twickenham - and serious neck problems were diagnosed immediately after that match. His recovery was quick and complete, however, and he has since proved himself a world-class performer on both sides of the front row.

The Italians are likely to find him at something approaching his best on Saturday but Leonard and the rest of the England tight forwards are fully aware that the real questions will be asked by the Argentinians on

14 December. Even though they arrived in London yesterday without a single member of the outstanding front row from last year's World Cup - Mattias Corral is living in America, Patricio Noriega is playing his rugby in Australia and the best of the lot, Federico Mendez, is about to join Bath - they did unveil a real hard nut in the shape of their new technical adviser, Alex "Grizz" Wylie.

The former New Zealand wing-forward and national coach has worked with the Pumas before and believes Argentina, for all their amateur status in a professional world,

will pose their now traditional problems in the forwards exchanges.

Unfortunately for the tourists, the endless wrangle between the Rugby Football Union and its leading clubs has ensured that their programme is nowhere near as demanding as originally intended. The London Division has been reduced to picking a side of Third Division standard or worse for the opener at Twickenham tomorrow.

South-west are in a similar predicament. Only the North will pick from strength.

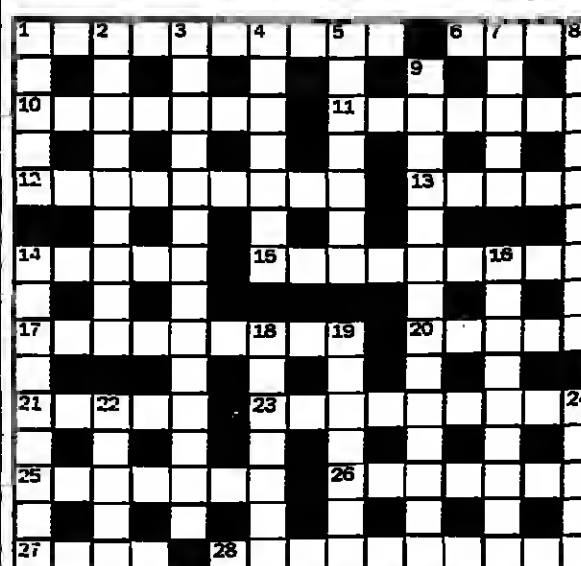
"We knew of the problem," and offered to shorten the tour, the Argentinian manager, Fernando Conde, said. "The RFU decided to stay with the programme, however. We are not disappointed. The Test next month will be against England's best side and that is what matters to us."

THE INDEPENDENT CROSSWORD

No. 3148, Tuesday 19 November

By Alfred

Monday's Solution



DOWN
1 Dandy would have this funny football gear (5,5)
6 Ring a friend, it could be of value (4)
10 Divine ornamental gold presented to old US President (7)
11 Cynical source of wealth in hospital department (7)
12 Provide more resources and control for church (9)
13 Short film features a new score (5)
14 Get one up in alfresco party (5)
15 Element of silence surrounds girl meeting one (9)
17 Anticipate trees being attractive to everybody (9)
20 Artist takes day to get a right location found by this (5)

ACROSS
1 Dandy would have this funny football gear (5,5)
6 Ring a friend, it could be of value (4)
10 Divine ornamental gold presented to old US President (7)
11 Cynical source of wealth in hospital department (7)
12 Provide more resources and control for church (9)
13 Short film features a new score (5)
14 Get one up in alfresco party (5)
15 Element of silence surrounds girl meeting one (9)
17 Anticipate trees being attractive to everybody (9)
20 Artist takes day to get a right location found by this (5)

ACROSS
21 Fuss over a pair of back-to-back houses (3-2)
22 Serve away from here in Paris at a theatre that's empty (9)
23 Give money to get, say, Harris pattern (7)
24 Old copper's on panel of eye specialist (7)
25 Song of single entertainer (4)
26 Not an altruist? One can only say "aye" (4-6)
27 US soldier climbs up in vehicle for a smoke (5)
28 Not very intelligent about women in bury in December? (9)
29 Senior policeman wants "The Hay Wain" (5,9)
30 Proposition of article upset Rome (7)
31 Lettuce which was once fatal for many passengers (7)

Giddins joins Warwickshire

Cricket

Warwickshire believe Ed Giddins can go on to full England honours after they offered him the chance to rebuild his career. The England A pace bowler yesterday agreed a three-year contract from 1998 to play for the county when he completes at 19-month ban for a drugs offence.

The 25-year-old Giddins was released by Sussex when he tested positive for cocaine this summer and as many as 10 counties were said to be interested in signing him.

Warwickshire believe the player, who will be paid a retainer to take part in midweek net practice while he plays league cricket in the south next year, is determined to get his career back on track.

"He realises he has made a mistake. That's all behind him now," the Warwickshire chief executive, Dennis Amis, said.

"He'll have served his penalty by the time he comes to us in 1998. He's really focused and has convinced us that cricket is his future. He wants to play and do a good job for Warwickshire but he also wants to go on and play for England. I believe that Warwickshire can help him do that."

"He will strengthen our squad and we look forward to seeing him with us for the 1998 season."

Giddins, who lost his appeal against the ban 10 days ago, said: "Deciding to join Warwickshire was a hard decision for me but just walking in at Edgbaston I felt a buzz. They have been the most successful side over the last three or four years and there's no reason why that shouldn't continue."

Giddins, who was on the staff at Sussex for six years, decided to join Warwickshire after a series of meetings with the county.

The England leg-spinner Ian Salisbury has rejected the best offer Sussex have ever made to a player and has joined Surrey on a three-year contract. Salisbury, 26, had been at Hove for seven years and decided to move on despite Sussex's offer of a five-year contract with the promise of a benefit.

Secretary Nigel Bett said that "every effort" had been made to change Salisbury's mind. He added: "Ian has kept us fully aware of his plans and there has been no disagreement between the club and himself. Now that his future is settled we must plan for 1997 without him."

England A triumph, page 29

Record profits for Wimbledon

Tennis

Wimbledon made a record profit of £29.1m at the 1996 championships. The profit, £1.2m more than the previous record set in 1995, is the icing on the cake for the Lawn Tennis Association, who receive this vast surplus each year for the improvement of the game in Britain.

Ian Peacock, who retires as LTA chief executive at the end of the year, believes that this year has been one of "exciting progress for British tennis both on and off the court."

For the first time in 18 years, Britain has two men, Tim Henman (at 29) and Greg Rused-

ski (48), ranked in the world's top 50. "Their joint ranking places Britain ninth in the world's men's rankings, while Martin Lee and James Trotman place us in eighth position in the junior boys' rankings," Peacock says.

"Amongst the girls the position is less spectacular but there has been a steady rise in the rankings of our players this year, albeit from a modest base, and the achievement of our girls in being runners-up in the world 14-and-under team championships gives cause for some optimism for the future."

During the year, the first British ATP Tour event on clay was staged at Bournemouth in September; a new coach licensing scheme was introduced

to raise the standards of British coaching; 38 county development officers were appointed to assist the game at grass roots level; while Jeremy Bates takes over as manager of national training on 1 January.

Five more indoor centres had been opened, making a total of 46 either in operation or construction and a further six training centres were opened to bring the total to 22.

Peacock praised the All England Club. He said: "Over the last 10 years, thanks to the success of the Wimbledon championships, the LTA has been able to re-build the infrastructure for tennis in this country."

Donbles triumph for Australians, page 29

Good-bye battery



Welcome to the future: Seiko Kinetic quartz watch that turns your movement into power. Every move you make is converted into electrical impulses by a tiny built-in powerhouse. Ecological, reliable and efficient: wear it one day to gain energy for at least two weeks. Wear it daily - it will run continually. Made of titanium, light, yet strong and kind to your skin. Water resistant. One-way rotating bezel. Screw lock crown. Seiko Kinetic - it's built to last. Someday all watches will be made this way.

SEIKO KINETIC

Seiko Kinetic at: <http://www.seiko-corp.co.jp>

الاعمال